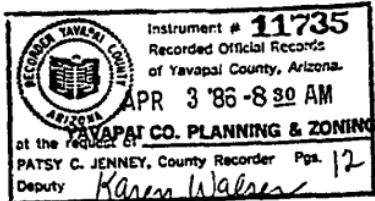


RUSH
Wildwood Realty
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PROTECTIVE COVENANTS
OF
KINGSWOOD UNIT II



CAPITAL TITLE AGENCY, an Arizona Corporation, as Trustee, hereinafter referred to as "Trustee," being the owner of all of that certain property situate in the County of Yavapai, State of Arizona, as recorded in the plat of record in Book 25 Pages 67, Official Records in the office of the Yavapai County Recorder, to establish the nature of the use and enjoyment hereof, does hereby declare said premises or portions thereof, to be subject to the following standard express covenants, stipulations, and restrictions as to the use and enjoyment thereof, which are to be construed to be restrictive covenants running with the title to the premises.

DEFINITIONS:

"KINGSWOOD DEVELOPMENT" as used herein shall include the property contained in the recorded plat of KINGSWOOD UNIT I, except Tract B, KINGSWOOD UNIT II, and any future plats of KINGSWOOD which may be recorded by the Developer.

"Association" as used herein shall refer to the KINGSWOOD OWNERS' ASSOCIATION, an Arizona corporation, the Articles of Incorporation of which will be recorded subsequently.

"Committee" shall refer to the architectural committee created by these covenants and pertinent to KINGSWOOD UNIT I AND II and such future plats of KINGSWOOD units as may be recorded by the Developer.

"Developer" as used herein shall refer to WILDWOOD REALTY AND INVESTMENTS, INC., and Arizona corporation, or its successors or assigns as Developer, exclusive of KINGSWOOD lot purchasers.

"Builder(s)" as used herein refers to licensed contractors who may purchase from the developer KINGSWOOD lots on which to construct new homes.

"Club" refers to the Prescott Racquet Club, or its successors, operating a membership private club on KINGSWOOD UNIT I, TRACT B, and possible additional tracts of KINGSWOOD.

"Trustee" as used herein shall refer to CAPITAL TITLE AGENCY, a

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corporation, its successors who hold as Trustee legal title to all or part of KINGSWOOD DEVELOPMENT, or such successor Trustee as the Developer may designate.

"Common Facilities" as used herein shall refer to those areas designated as such on any recorded plats of KINGSWOOD DEVELOPMENT and the facilities located thereon.

"Lot" as used herein shall refer to an individual lot according to any recorded plat of KINGSWOOD DEVELOPMENT wherein the same is located and the same appears on such plats, or as amended or corrected.

"Lot Unit" as used herein shall refer to combined contiguous lots or portions of lots which are or have been sold and purchased as an indivisible single unit.

"Member" as used herein shall refer to one membership in the Association arising by virtue of an ownership of one or more lots or lot units.

1. There shall be created an architectural committee, herein-after referred to as "Committee", consisting of two or three persons appointed by Developer, which Committee shall function for the purpose of insuring that the restrictions and covenants contained herein are adhered to and that the general development of KINGSWOOD DEVELOPMENT, including its subsequent plats and related adjacent developments which may be placed under the same jurisdiction by Developer, is of the desired tone and attractiveness to secure to each lot owner the full benefit and enjoyment of his property and the community. When all of the property of KINGSWOOD DEVELOPMENT has been platted and recorded and all lots have been sold, or at such earlier time as the Developer deems appropriate, the Developer will assign the responsibility and authority for the appointment and operation of the Committee to the KINGSWOOD OWNERS' ASSOCIATION; effective at the time of such assignment, the Trustee and Developer shall automatically be relieved of any liability for any Committee decision, action or failure to act. The Committee may choose to handle some approval and policy matters on a bulletin basis, with experience, changing community opinions, products and lifestyles. Examples of matters subject to such changes are suitable building materials, firewood and trash container concealment and storage. The authority and responsibility for interpretation of these covenants and approval of all construction, remodeling and additions

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are vested solely in the Committee, as qualified in Paragraph 1 above.

2. All lots in KINGSWOOD UNIT II, except Tract C for the ASSOCIATIONS'S community property, private access and Club parking, shall be residential lots, and said lots shall have constructed thereon residential dwellings only. In addition, model homes and suitable subdivision sales offices may be maintained by the Developer or builders or brokers designated by the Developer, not with-standing any other provision to the contrary in these covenants.

3. Platted lots in KINGSWOOD II shall be designed for "casitas," smaller cluster or patio homes built by a single builder. Guidelines for the housing shall be agreed on from time to time by the Developer and the Committee. No lots shall be re-subdivided into smaller lots or encumbered in less that the full original dimensions of such lots as shown on the recorded plats containing such lots except when each part-lot becomes part of a lot-unit larger than the original lots involved, or when the Developer and the Development Committee both approve a correction of platted lot lines caused by an engineering error or by a problem of house siting, driveway or parking area, such correcting to be done prior to the start of construction of the home(s) on such lot(s).

4. The plans and locations of all structures, screens and fences, driveways and parking areas on each lot must be approved in writing by the Committee prior to starting construction. The proposed building perimeters, bulkheads, driveways and parking areas must be staked and connecting strings tied thereto before Committee consideration of construction plans, except for any preliminary meetings to discuss tentative ideas. Proposed plans must include a dimensioned plot plan, which shall include the locations of all existing trees exceeding three inches trunk diameter, all buildings, bulkheads, driveways and parking areas, gas meters and post lights.

5. All utility service lead-ins will be underground. All utility meters will be located and colored inconspicuously at the buildings they serve, unless other locations and concealments are approved in writing by the Committee.

6. Detached garages or guest houses may be approved at the discretion of the Committee, in addition to the main dwelling, but such auxiliary buildings may not be used as main dwellings.

7. All structures shall be of new materials, or of materials approved in writing by the Committee. Once started, construction is to be pursued diligently, and all buildings are to present a finished exterior

appearance within four months and landscaping substantially done or the natural landscaping restored within eight months of the start of construction. No garage or guest house or part of a dwelling may be occupied until the whole residence is substantially completed according to the plans approved by the Committee, and the Committee shall have the authority to decide what constitutes substantial completion.

8. All roofs and other exterior construction exposed to public view are to be of materials and colors which blend with the natural surroundings, and which are, in the opinion of the Committee, of sufficiently good quality of design and construction to be suitable in KINGSWOOD. The Committee will require structures whose architecture is compatible with the natural surroundings. Lot owners must secure written approval from the Committee of all exterior materials and colors, except subsequent repainting or restaining of colors identical to colors previously approved by the Committee for the particular building, fence or structure.

9. All laundry drying areas, trash and waste material, and trash containers must be screened from public view. Fences and screens shall be painted or stained so as to blend with the natural surroundings and adjacent structures, and the location, design, materials, colors and height of any fences and screens shall require the Committee's approval. Lot-line fencing will not normally be permitted, to preserve the natural environment. Outside window awnings or drop shades are subject to Committee approval. No inside or outside reflective screening exposed to public view will be permitted. All exterior metal and plastic must have flat (non-shiny) surfaces in approved natural colors.

10. All metal and plastic containers exposed to public view shall be painted or colored to blend with the natural surroundings, acceptable to and approved by the Committee. No plastic, reflective or light-colored screening or covers may be used on vehicles, stacks of firewood or other objects exposed to public view. Exposed firewood must be neatly stacked in an inconspicuous location, without plastic or tarpaulin covers, or under or behind an approved shelter or screen.

11. No trailers, motor homes, mobile homes, unmounted campers, or commercial vehicles (except on service calls) shall be mounted or parked on any lot, unless inside an approved garage. No tents or other types of temporary buildings may be erected on any lots except such temporary contractors' buildings or vehicles as may be necessary during construction and are approved by the Committee. No disabled or dismantled vehicles or machinery

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will be left on any lots, nor will unsightly accumulations of building material be permitted except as actually necessary during construction. All tools, materials, all landscaping equipment, household effects, machinery or machinery parts, boats, boxes, bags and other items which shall in appearance detract from the aesthetic value of the property shall be so placed and stored so as to be concealed from public view. Firewood and other storage, mailboxes, residential post lights and other exterior building and yard lighting are subject to Committee approval. Little-used vehicles must be properly garaged or screened from public view. Motorcycles or motorbikes normally constitute a nuisance in a quiet residential area, and residents and their guests will restrict their operation within KINGSWOOD DEVELOPMENT to quiet and direct travel on the paved streets going to and from suitable highways or trails outside KINGSWOOD.

12. No structure in whole or in part shall be moved on the property without the prior written approval of the Committee and must in any case be brought up to covenants standards within ninety (90) days.

13. Landscaping of an informal type compatible with the natural surroundings will be required, with approval authority vested in the Committee. Any cutting of native trees and shrubs shall require prior written approval of the Committee. Property owners are required to protect their property from damage to natural terrain and growth during construction, to preserve the natural landscape. The Committee may require replacement of trees or shrubs removed without Committee approval, replacement to be made at the lot owner's expense. If the lot owner fails to make suitable restoration or replacement promptly, the Committee may do so at the lot owner's expense.

14. KINGSWOOD has a unique natural country setting. Artificial plants, statuary, colored rock surfacing and excessive displays of rocks, stumps, branches, bones, antlers, artifacts, plastic windmills or other bric-a-brac are not permitted, unless approved by the Committee. To preserve the natural environment, the Committee has approval authority in all landscaping. Fences, rows of rocks and similar lot-defining perimeter lines will normally not be permitted.

15. All dwellings used for residential purposes shall install flush toilets, and all bathrooms, toilets and sanitary conveniences shall be inside the buildings permitted hereunder. All bathrooms, toilets and sanitary conveniences shall be connected to sewer systems constructed and maintained in accordance with applicable governmental requirements and standards.

16. The storage, collection, disposal and removal of all debris, garbage and trash must be in accordance with applicable government requirements.

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All outside fires, whether for cooking, trash burning or other purposes, shall be considered dangerous, and shall not be permitted unless confined to a well-built and protected fireplace, barbecue or incinerator and suitable extinguishing equipment available. Each home must maintain a dry chemical or other suitable and functioning fire extinguisher on each floor of the home. The Committee will decide, if necessary, whether such activities and protection are appropriate for the general safety of the community. All fireplaces, chimneys and outlets from stoves, heating appliances and outside fireboxes must provide for protection from flying sparks by screening or other spark-arresting facilities.

17. Solar collector plates and other visible solar devices must be screened from present or future public view in an installation approved by the Committee, to avoid reflecting to neighboring properties. Reflective skylights exposed to present or future public view will not be permitted, but normally flat, bronze-tinted or similar skylights are non-reflective and may be permitted by the Committee. Windmills and similar machinery are usually inappropriate in a wooded residential community, are subject to Committee approval and will normally not be permitted.

18. The KINGSWOOD streets are private streets belonging to the Association for the benefit of KINGSWOOD owners and their guests, and members and guests of the Club. Costs of street maintenance will be borne by the Association, except such portions as may be maintained by others under joint-maintenance agreements, including an existing agreement with the Pine Lakes owners. Streets are on easements on recorded plats; in addition, all owners agree hereby to grant any additional easements, to include all street shoulders, ditches and slopes, and drainage channels requested by the Association, and for necessary corrections of surveying errors or adjustments of the streets as constructed. Members are responsible for compliance of family members and guests with all posted traffic signs and rules.

19. No billboards or advertising signs of any character, including but not limited to "for sale" or "for rent" or similar signs, shall be erected, placed, permitted or maintained on said lot visible to the public except as herein expressly permitted. Small name and/or address signs shall be permitted and no other sign of any kind or design shall be allowed. The provisions of this paragraph may be waived by Developer only when in its discretion the same is necessary to promote the initial sale of new homes and property in and development of the subdivision and Club areas. In addition to any other remedies

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available by law, if there be a violation of the within restrictions, the Committee or its duly authorized agents may enter upon the property of the lot owner for the purpose of removing any unauthorized signs constituting a violation and remove the signs without liability to the lot owner of any kind. This same authority for the Committee applies to any unauthorized construction, antennas, stored articles, etc. or any other breaches of these covenants, and all costs of any such actions, including legal costs, may be charged against the lot owner, and collection may be enforced by personal money judgment or by lien on the property involved or other property.

20. No livestock or poultry may be maintained on the lots except household pets which do not constitute a nuisance. Pets will not be permitted on Club property. The Committee may require that any pets which are causing a noise or other nuisance be leashed or otherwise controlled, or that such pets be excluded from the KINGSWOOD DEVELOPMENT.

21. All dwelling owners will be required to construct and maintain one functioning automatic electric post light of suitable design, and approximately six feet in height in a suitable location on the street boundary of their lots. Such lights will be on during all hours of darkness and will have bulbs of such wattage as may be specified by the Committee.

22. Attempts by lot owners to utilize any mineral or water rights on their lots shall require prior written approval by the Committee. It is anticipated that such utilization would normally not be desirable in a residential area.

23. The areas designated "Park" and "Common Land" on KINGSWOOD recorded plats shall be community street, utility or other lands and shall be accepted by the Association automatically on recording each plat for the exclusive use and benefit of every purchaser of any lot in any of the plats of KINGSWOOD DEVELOPMENT. The Association may construct additional facilities upon such property on approval by Developer, in accordance with the Association's Articles of Incorporation and the pertinent recorded by-laws and covenants of the Association as amended.

24. The community areas above described and all facilities placed thereon shall remain undivided and no owner shall bring any action for partition or sale, it being agreed that this restriction is necessary in order to preserve the rights of the owners with respect to the use and management of the common lands and facilities.

25. No exposed antennas may be erected or maintained on any lot or building without the prior written approval of the Committee.

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26. The purchaser of any lot in the KINGSWOOD DEVELOPMENT shall automatically, upon becoming the owner of such lot, be a member of the Association, and shall remain a member of said Association until such time as his ownership ceases for any reason, at which time his membership in said Association shall automatically cease. The acceptance of any deed to any of the lots in the KINGSWOOD DEVELOPMENT or the use of any of the KINGSWOOD property by any person, shall signify that these covenants, amended by-laws and Articles of Incorporation of the Association are accepted, consented to, ratified, and will be complied with by such person. The administration of the Association shall be in accordance with these covenants, by-laws, decisions and resolutions of the Association, and failure to comply with any such decision, provisions or resolutions shall be grounds for action to recover sums due, for damages, or for injunctive relief. Ownership of one lot shall entitle the owner to one membership in the corporation for each lot or lot-unit owned. There shall be one membership for each lot or one membership for each lot unit, even though title may be vested in the name of husband and wife jointly or be more than one owner. In the event that more than one lot or lot unit or combination of lot and lot unit is owned by the same individual, firm, partnership or corporation, that individual, firm, partnership or corporation shall be entitled to as many votes as the number of lots or lot units owned.

27. The Association shall be responsible for the maintenance, repair, operation and improvement of the designated common lands and all other community facilities and streets deeded to it or held by easements and shall be responsible for the payment of all costs in connection therewith, including property taxes, insurance premiums and all utilities used in connection therewith and all other costs incurred for the benefit of the lot owner as a community and shall have power to assess the owner of an individual lot or lot unit equally for the payment of said expenses, which assessment shall become a lien upon the owner's lot or lot units and interest of the common recreation area prior to all liens except tax liens and assessments on said property in favor of any legal assessing unit. "Equally" shall involve one rate for improved (homes built) and another for unimproved (homes not yet built) lots; lots on which homes have been built shall be assessed at four times the rate paid on vacant lots, unless changed by mutual agreement of the Developer and at least 51% of the then members of the Association.

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29. The Association shall have the powers, rights and duties and shall meet as provided in Articles of Incorporation and By-Laws and recorded covenants for the purposes contained therein, including the operation, maintenance and improvement of the facilities of KINGSWOOD DEVELOPMENT and the enforcement of all recorded covenants and such other business as may come before the general benefit and welfare of the owners. The affairs of the Association shall be conducted in such a manner as to comply strictly with the protective covenants of KINGSWOOD DEVELOPMENT, and the similar provisions of the Articles of Incorporation and By-Laws of the Association and in such a manner as to protect the interest and welfare of present and future owners of lots or lot units in KINGSWOOD DEVELOPMENT. The Association may adopt such other rules and regulations as are necessary to carry out the intent and the purposes of the Covenants, its Articles of Incorporation and By-Laws, provided all costs thereof shall be paid by the Association and that the same are consistent with these and other recorded covenants of the KINGSWOOD DEVELOPMENT. A majority of Association Members voting at any general meeting of Members (assuming a quorum is present) may impose "House Rules" (such as uniform address signs, post light design, gas meter concealment design, etc.), with the advice and consent of the Committee, or the Committee may institute such "House Rules," which may be changed from time to time, on its own.

30. Each lot owner shall pay his equal share of all dues and assessments when due, and may not exempt himself from liability from his share of the dues and assessments by waiver or abandonment of the use and enjoyment of his lot for the Association's facilities. Neither the Trustee, the Developer, nor the Builder(s) shall be a member of the Association by virtue of ownership of unsold lots, nor shall they have voting rights nor dues or assessments of the Association. However, to facilitate communications and cooperation in matters of mutual interest, the Developer and Builder(s) shall receive copies of all Association communications to members and shall send a representative to all Association meetings.

31. The Association shall carry liability insurance protecting the Association and the Developer, Trustee and Builder(s) as additional insureds in such companies and in such amounts as approved by the Association, but not less than \$1,000,000 for any one accident, and adequate physical damage coverage on any insurable recreation facility. A copy of such policies shall be provided Developer, Trustee and Builder(s).

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32. Lot owners shall be responsible for providing adequate off-street parking space and for seeing that, insofar as possible, the moving-traffic street lanes adjacent to their lots and designated fire lanes are kept free of parked vehicles. The Committee and the president of the Association shall have the authority to have improperly-parked vehicles removed at the owner's expense.

33. All KINGSWOOD property owners are responsible for seeing that water runoff collected on their property is directed to natural drainage channels, or to street ditches when they have been constructed. If owners fail to construct and maintain such provisions, the Association may do so at the owner's expense. All drainage construction will require Committee approval, and consideration shall be given to the additional runoff directed to the above mentioned channels, created through the development of the subdivision.

34. The foregoing restrictions and covenants run with such parts of the land described above as may be platted as parts of the KINGSWOOD DEVELOPMENT and shall be binding on all persons owning any part of said land regardless of whether the same is platted or not until January 1, 2014 at which time said covenants shall be automatically extended for successive periods of ten (10) years unless by a vote of at least two-thirds (2/3) of the then owners of the lots in KINGSWOOD DEVELOPMENT, it is agreed to change the said covenants in whole or in part.

Deeds of conveyance of said property, or any part thereof, may contain the above restrictive covenants by reference to this document, but whether or not such reference is made in such deed or any part thereof, each and all restrictive covenants shall be valid and binding upon the respective grantees. Violation of any one or more of these covenants may be restrained by a court of competent jurisdiction and damages awarded against such violators, provided, however, that a violation of these restrictive covenants, or any one or more of them, shall not affect the lien of any mortgage now of record or which hereafter may be placed of record upon said lot. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any of the other provisions but they shall remain in full force and effect.

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If there is a violation or threatened or attempted violation of any of these covenants and restrictions, it shall be lawful for any person or persons, association or corporation, specifically including the KINGSWOOD OWNERS' ASSOCIATION, owning any part of the KINGSWOOD DEVELOPMENT and concerned to prosecute any proceedings at law or in equity against the person or persons violating or attempting or threatening to violate any of these covenants or restrictions, and either to restrain or to enjoin such violation or to recover damages for such violation. In such event, the prevailing party shall be entitled to reasonable attorneys' fees. However, the normal method of enforcement of these covenants shall be by the Committee, or the Board of Directors of the Association with the advice and consent of the Committee, first notifying the property owner involved of the covenants or "House Rules" violation; if the owner fails to correct the violation promptly, the Committee (or Association Board of Directors with Committee approval) shall have the power to take whatever enforcement action it deems necessary and appropriate, and to charge any expenses involved to the property owner, including but not limited to legal fees and costs.

IN WITNESS WHEREOF, the CAPITAL TITLE AGENCY, an Arizona Corporation, as Trustee, as caused its corporate name to be signed and its corporate seal to be affixed by the undersigned officers thereunto duly authorized this 28th day of March 1986.

ATTEST:

CAPITAL TITLE AGENCY, as Trustee

Cynthia P. Schlueter

John Miller

The undersigned have ratified and approved the foregoing
Protective Covenants by signing the acceptance below.

ACCEPTED AND APPROVED:

WILDWOOD REALTY & INVESTMENTS, INC.

DYNAMIC DEVELOPMENT CORPORATION

L.L.(H.)

Darrell Smith

State of Arizona
County of Yavapai

Before me appeared Robert L. Hannay known to me to be the
President of WILDWOOD REALTY & INVESTMENTS, INC., and signed
this acceptance the 28th day of March, 1986.

SEAL

My commission will expire: Nov 10, 1988

Christina P. Schlueter
Notary Public

State of Arizona
County of Yavapai

Before me appeared Darrell G. Smith known to me to be the
President of DYNAMIC DEVELOPMENT CORPORATION, and signed
this acceptance the 28th day of March, 1986

SEAL

My commission will expire:
Nov 10, 1988

Christina P. Schlueter
Notary Public

State of Arizona
County of Yavapai

Before me appeared Walter F. Serrano, known to me to be the
Vice-President of CAPITAL TITLE AGENCY, and signed
this document the 28th day of March, 1986.

SEAL

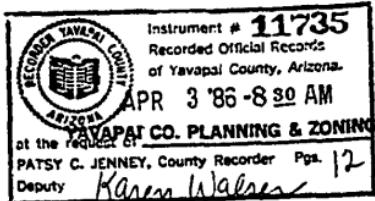
Christina P. Schlueter
Notary Public

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RUSH
Wildwood Realty
WC

PROTECTIVE COVENANTS
OF
KINGSWOOD UNIT II



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11. No trailers, motor homes, mobile homes, unmounted campers, or commercial vehicles (except on service calls) shall be mounted or parked on any lot, unless inside an approved garage. No tents or other types of temporary buildings may be erected on any lots except such temporary contractors' buildings or vehicles as may be necessary during construction and are approved by the Committee. No disabled or dismantled vehicles or machinery

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will be left on any lots, nor will unsightly accumulations of building material be permitted except as actually necessary during construction. All tools, materials, all landscaping equipment, household effects, machinery or machinery parts, boats, boxes, bags and other items which shall in appearance detract from the aesthetic value of the property shall be so placed and stored so as to be concealed from public view. Firewood and other storage, mailboxes, residential post lights and other exterior building and yard lighting are subject to Committee approval. Little-used vehicles must be properly garaged or screened from public view. Motorcycles or motorbikes normally constitute a nuisance in a quiet residential area, and residents and their guests will restrict their operation within KINGSWOOD DEVELOPMENT to quiet and direct travel on the paved streets going to and from suitable highways or trails outside KINGSWOOD.

12. No structure in whole or in part shall be moved on the property without the prior written approval of the Committee and must in any case be brought up to covenants standards within ninety (90) days.

13. Landscaping of an informal type compatible with the natural surroundings will be required, with approval authority vested in the Committee. Any cutting of native trees and shrubs shall require prior written approval of the Committee. Property owners are required to protect their property from damage to natural terrain and growth during construction, to preserve the natural landscape. The Committee may require replacement of trees or shrubs removed without Committee approval, replacement to be made at the lot owner's expense. If the lot owner fails to make suitable restoration or replacement promptly, the Committee may do so at the lot owner's expense.

14. KINGSWOOD has a unique natural country setting. Artificial plants, statuary, colored rock surfacing and excessive displays of rocks, stumps, branches, bones, antlers, artifacts, plastic windmills or other bric-a-brac are not permitted, unless approved by the Committee. To preserve the natural environment, the Committee has approval authority in all landscaping. Fences, rows of rocks and similar lot-defining perimeter lines will normally not be permitted.

15. All dwellings used for residential purposes shall install flush toilets, and all bathrooms, toilets and sanitary conveniences shall be inside the buildings permitted hereunder. All bathrooms, toilets and sanitary conveniences shall be connected to sewer systems constructed and maintained in accordance with applicable governmental requirements and standards.

16. The storage, collection, disposal and removal of all debris, garbage and trash must be in accordance with applicable government requirements.

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All outside fires, whether for cooking, trash burning or other purposes, shall be considered dangerous, and shall not be permitted unless confined to a well-built and protected fireplace, barbecue or incinerator and suitable extinguishing equipment available. Each home must maintain a dry chemical or other suitable and functioning fire extinguisher on each floor of the home. The Committee will decide, if necessary, whether such activities and protection are appropriate for the general safety of the community. All fireplaces, chimneys and outlets from stoves, heating appliances and outside fireboxes must provide for protection from flying sparks by screening or other spark-arresting facilities.

17. Solar collector plates and other visible solar devices must be screened from present or future public view in an installation approved by the Committee, to avoid reflecting to neighboring properties. Reflective skylights exposed to present or future public view will not be permitted, but normally flat, bronze-tinted or similar skylights are non-reflective and may be permitted by the Committee. Windmills and similar machinery are usually inappropriate in a wooded residential community, are subject to Committee approval and will normally not be permitted.

18. The KINGSWOOD streets are private streets belonging to the Association for the benefit of KINGSWOOD owners and their guests, and members and guests of the Club. Costs of street maintenance will be borne by the Association, except such portions as may be maintained by others under joint-maintenance agreements, including an existing agreement with the Pine Lakes owners. Streets are on easements on recorded plats; in addition, all owners agree hereby to grant any additional easements, to include all street shoulders, ditches and slopes, and drainage channels requested by the Association, and for necessary corrections of surveying errors or adjustments of the streets as constructed. Members are responsible for compliance of family members and guests with all posted traffic signs and rules.

19. No billboards or advertising signs of any character, including but not limited to "for sale" or "for rent" or similar signs, shall be erected, placed, permitted or maintained on said lot visible to the public except as herein expressly permitted. Small name and/or address signs shall be permitted and no other sign of any kind or design shall be allowed. The provisions of this paragraph may be waived by Developer only when in its discretion the same is necessary to promote the initial sale of new homes and property in and development of the subdivision and Club areas. In addition to any other remedies

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available by law, if there be a violation of the within restrictions, the Committee or its duly authorized agents may enter upon the property of the lot owner for the purpose of removing any unauthorized signs constituting a violation and remove the signs without liability to the lot owner of any kind. This same authority for the Committee applies to any unauthorized construction, antennas, stored articles, etc. or any other breaches of these covenants, and all costs of any such actions, including legal costs, may be charged against the lot owner, and collection may be enforced by personal money judgment or by lien on the property involved or other property.

20. No livestock or poultry may be maintained on the lots except household pets which do not constitute a nuisance. Pets will not be permitted on Club property. The Committee may require that any pets which are causing a noise or other nuisance be leashed or otherwise controlled, or that such pets be excluded from the KINGSWOOD DEVELOPMENT.

21. All dwelling owners will be required to construct and maintain one functioning automatic electric post light of suitable design, and approximately six feet in height in a suitable location on the street boundary of their lots. Such lights will be on during all hours of darkness and will have bulbs of such wattage as may be specified by the Committee.

22. Attempts by lot owners to utilize any mineral or water rights on their lots shall require prior written approval by the Committee. It is anticipated that such utilization would normally not be desirable in a residential area.

23. The areas designated "Park" and "Common Land" on KINGSWOOD recorded plats shall be community street, utility or other lands and shall be accepted by the Association automatically on recording each plat for the exclusive use and benefit of every purchaser of any lot in any of the plats of KINGSWOOD DEVELOPMENT. The Association may construct additional facilities upon such property on approval by Developer, in accordance with the Association's Articles of Incorporation and the pertinent recorded by-laws and covenants of the Association as amended.

24. The community areas above described and all facilities placed thereon shall remain undivided and no owner shall bring any action for partition or sale, it being agreed that this restriction is necessary in order to preserve the rights of the owners with respect to the use and management of the common lands and facilities.

25. No exposed antennas may be erected or maintained on any lot or building without the prior written approval of the Committee.

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26. The purchaser of any lot in the KINGSWOOD DEVELOPMENT shall automatically, upon becoming the owner of such lot, be a member of the Association, and shall remain a member of said Association until such time as his ownership ceases for any reason, at which time his membership in said Association shall automatically cease. The acceptance of any deed to any of the lots in the KINGSWOOD DEVELOPMENT or the use of any of the KINGSWOOD property by any person, shall signify that these covenants, amended by-laws and Articles of Incorporation of the Association are accepted, consented to, ratified, and will be complied with by such person. The administration of the Association shall be in accordance with these covenants, by-laws, decisions and resolutions of the Association, and failure to comply with any such decision, provisions or resolutions shall be grounds for action to recover sums due, for damages, or for injunctive relief. Ownership of one lot shall entitle the owner to one membership in the corporation for each lot or lot-unit owned. There shall be one membership for each lot or one membership for each lot unit, even though title may be vested in the name of husband and wife jointly or be more than one owner. In the event that more than one lot or lot unit or combination of lot and lot unit is owned by the same individual, firm, partnership or corporation, that individual, firm, partnership or corporation shall be entitled to as many votes as the number of lots or lot units owned.

27. The Association shall be responsible for the maintenance, repair, operation and improvement of the designated common lands and all other community facilities and streets deeded to it or held by easements and shall be responsible for the payment of all costs in connection therewith, including property taxes, insurance premiums and all utilities used in connection therewith and all other costs incurred for the benefit of the lot owner as a community and shall have power to assess the owner of an individual lot or lot unit equally for the payment of said expenses, which assessment shall become a lien upon the owner's lot or lot units and interest of the common recreation area prior to all liens except tax liens and assessments on said property in favor of any legal assessing unit. "Equally" shall involve one rate for improved (homes built) and another for unimproved (homes not yet built) lots; lots on which homes have been built shall be assessed at four times the rate paid on vacant lots, unless changed by mutual agreement of the Developer and at least 51% of the then members of the Association.

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29. The Association shall have the powers, rights and duties and shall meet as provided in Articles of Incorporation and By-Laws and recorded covenants for the purposes contained therein, including the operation, maintenance and improvement of the facilities of KINGSWOOD DEVELOPMENT and the enforcement of all recorded covenants and such other business as may come before the general benefit and welfare of the owners. The affairs of the Association shall be conducted in such a manner as to comply strictly with the protective covenants of KINGSWOOD DEVELOPMENT, and the similar provisions of the Articles of Incorporation and By-Laws of the Association and in such a manner as to protect the interest and welfare of present and future owners of lots or lot units in KINGSWOOD DEVELOPMENT. The Association may adopt such other rules and regulations as are necessary to carry out the intent and the purposes of the Covenants, its Articles of Incorporation and By-Laws, provided all costs thereof shall be paid by the Association and that the same are consistent with these and other recorded covenants of the KINGSWOOD DEVELOPMENT. A majority of Association Members voting at any general meeting of Members (assuming a quorum is present) may impose "House Rules" (such as uniform address signs, post light design, gas meter concealment design, etc.), with the advice and consent of the Committee, or the Committee may institute such "House Rules," which may be changed from time to time, on its own.

30. Each lot owner shall pay his equal share of all dues and assessments when due, and may not exempt himself from liability from his share of the dues and assessments by waiver or abandonment of the use and enjoyment of his lot for the Association's facilities. Neither the Trustee, the Developer, nor the Builder(s) shall be a member of the Association by virtue of ownership of unsold lots, nor shall they have voting rights nor dues or assessments of the Association. However, to facilitate communications and cooperation in matters of mutual interest, the Developer and Builder(s) shall receive copies of all Association communications to members and shall send a representative to all Association meetings.

31. The Association shall carry liability insurance protecting the Association and the Developer, Trustee and Builder(s) as additional insureds in such companies and in such amounts as approved by the Association, but not less than \$1,000,000 for any one accident, and adequate physical damage coverage on any insurable recreation facility. A copy of such policies shall be provided Developer, Trustee and Builder(s).

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32. Lot owners shall be responsible for providing adequate off-street parking space and for seeing that, insofar as possible, the moving-traffic street lanes adjacent to their lots and designated fire lanes are kept free of parked vehicles. The Committee and the president of the Association shall have the authority to have improperly-parked vehicles removed at the owner's expense.

33. All KINGSWOOD property owners are responsible for seeing that water runoff collected on their property is directed to natural drainage channels, or to street ditches when they have been constructed. If owners fail to construct and maintain such provisions, the Association may do so at the owner's expense. All drainage construction will require Committee approval, and consideration shall be given to the additional runoff directed to the above mentioned channels, created through the development of the subdivision.

34. The foregoing restrictions and covenants run with such parts of the land described above as may be platted as parts of the KINGSWOOD DEVELOPMENT and shall be binding on all persons owning any part of said land regardless of whether the same is platted or not until January 1, 2014 at which time said covenants shall be automatically extended for successive periods of ten (10) years unless by a vote of at least two-thirds (2/3) of the then owners of the lots in KINGSWOOD DEVELOPMENT, it is agreed to change the said covenants in whole or in part.

Deeds of conveyance of said property, or any part thereof, may contain the above restrictive covenants by reference to this document, but whether or not such reference is made in such deed or any part thereof, each and all restrictive covenants shall be valid and binding upon the respective grantees. Violation of any one or more of these covenants may be restrained by a court of competent jurisdiction and damages awarded against such violators, provided, however, that a violation of these restrictive covenants, or any one or more of them, shall not affect the lien of any mortgage now of record or which hereafter may be placed of record upon said lot. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any of the other provisions but they shall remain in full force and effect.

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If there is a violation or threatened or attempted violation of any of these covenants and restrictions, it shall be lawful for any person or persons, association or corporation, specifically including the KINGSWOOD OWNERS' ASSOCIATION, owning any part of the KINGSWOOD DEVELOPMENT and concerned to prosecute any proceedings at law or in equity against the person or persons violating or attempting or threatening to violate any of these covenants or restrictions, and either to restrain or to enjoin such violation or to recover damages for such violation. In such event, the prevailing party shall be entitled to reasonable attorneys' fees. However, the normal method of enforcement of these covenants shall be by the Committee, or the Board of Directors of the Association with the advice and consent of the Committee, first notifying the property owner involved of the covenants or "House Rules" violation; if the owner fails to correct the violation promptly, the Committee (or Association Board of Directors with Committee approval) shall have the power to take whatever enforcement action it deems necessary and appropriate, and to charge any expenses involved to the property owner, including but not limited to legal fees and costs.

IN WITNESS WHEREOF, the CAPITAL TITLE AGENCY, an Arizona Corporation, as Trustee, as caused its corporate name to be signed and its corporate seal to be affixed by the undersigned officers thereunto duly authorized this 28th day of March 1986.

ATTEST:

CAPITAL TITLE AGENCY, as Trustee

Cynthia P. Schlueter

John Miller

The undersigned have ratified and approved the foregoing
Protective Covenants by signing the acceptance below.

ACCEPTED AND APPROVED:

WILDWOOD REALTY & INVESTMENTS, INC.

DYNAMIC DEVELOPMENT CORPORATION

L.L.(H.)

Darrell Smith

State of Arizona
County of Yavapai

Before me appeared Robert L. Hannay known to me to be the
President of WILDWOOD REALTY & INVESTMENTS, INC., and signed
this acceptance the 28th day of March, 1986.

SEAL

My commission will expire: Nov 10, 1988

Christina P. Schlueter
Notary Public

State of Arizona
County of Yavapai

Before me appeared Darrell G. Smith known to me to be the
President of DYNAMIC DEVELOPMENT CORPORATION, and signed
this acceptance the 28th day of March, 1986

SEAL

My commission will expire:
Nov 10, 1988

Christina P. Schlueter
Notary Public

State of Arizona
County of Yavapai

Before me appeared Walter F. Serrano, known to me to be the
Vice-President of CAPITAL TITLE AGENCY, and signed
this document the 28th day of March, 1986.

SEAL

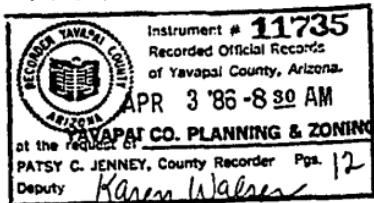
Christina P. Schlueter
Notary Public

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*RUSH
Wildwood Realty
WIC*

PROTECTIVE COVENANTS
OF
KINGSWOOD UNIT II



CAPITAL TITLE AGENCY, an Arizona Corporation, as Trustee, hereinafter referred to as "Trustee," being the owner of all of that certain property situate in the County of Yavapai, State of Arizona, as recorded in the plat of record in Book 25 Pages 67, Official Records in the office of the Yavapai County Recorder, to establish the nature of the use and enjoyment hereof, does hereby declare said premises or portions thereof, to be subject to the following standard express covenants, stipulations, and restrictions as to the use and enjoyment thereof, which are to be construed to be restrictive covenants running with the title to the premises.

DEFINITIONS:

"KINGSWOOD DEVELOPMENT" as used herein shall include the property contained in the recorded plat of KINGSWOOD UNIT I, except Tract B, KINGSWOOD UNIT II, and any future plats of KINGSWOOD which may be recorded by the Developer.

"Association" as used herein shall refer to the KINGSWOOD OWNERS' ASSOCIATION, an Arizona corporation, the Articles of Incorporation of which will be recorded subsequently.

"Committee" shall refer to the architectural committee created by these covenants and pertinent to KINGSWOOD UNIT I AND II and such future plats of KINGSWOOD units as may be recorded by the Developer.

"Developer" as used herein shall refer to WILDWOOD REALTY AND INVESTMENTS, INC., and Arizona corporation, or its successors or assigns as Developer, exclusive of KINGSWOOD lot purchasers.

"Builder(s)" as used herein refers to licensed contractors who may purchase from the developer KINGSWOOD lots on which to construct new homes.

"Club" refers to the Prescott Racquet Club, or its successors, operating a membership private club on KINGSWOOD UNIT I, TRACT B, and possible additional tracts of KINGSWOOD.

"Trustee" as used herein shall refer to CAPITAL TITLE AGENCY, a

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corporation, its successors who hold as Trustee legal title to all or part of KINGSWOOD DEVELOPMENT, or such successor Trustee as the Developer may designate.

"Common Facilities" as used herein shall refer to those areas designated as such on any recorded plats of KINGSWOOD DEVELOPMENT and the facilities located thereon.

"Lot" as used herein shall refer to an individual lot according to any recorded plat of KINGSWOOD DEVELOPMENT wherein the same is located and the same appears on such plats, or as amended or corrected.

"Lot Unit" as used herein shall refer to combined contiguous lots or portions of lots which are or have been sold and purchased as an indivisible single unit.

"Member" as used herein shall refer to one membership in the Association arising by virtue of an ownership of one or more lots or lot units.

1. There shall be created an architectural committee, herein-after referred to as "Committee", consisting of two or three persons appointed by Developer, which Committee shall function for the purpose of insuring that the restrictions and covenants contained herein are adhered to and that the general development of KINGSWOOD DEVELOPMENT, including its subsequent plats and related adjacent developments which may be placed under the same jurisdiction by Developer, is of the desired tone and attractiveness to secure to each lot owner the full benefit and enjoyment of his property and the community. When all of the property of KINGSWOOD DEVELOPMENT has been platted and recorded and all lots have been sold, or at such earlier time as the Developer deems appropriate, the Developer will assign the responsibility and authority for the appointment and operation of the Committee to the KINGSWOOD OWNERS' ASSOCIATION; effective at the time of such assignment, the Trustee and Developer shall automatically be relieved of any liability for any Committee decision, action or failure to act. The Committee may choose to handle some approval and policy matters on a bulletin basis, with experience, changing community opinions, products and lifestyles. Examples of matters subject to such changes are suitable building materials, firewood and trash container concealment and storage. The authority and responsibility for interpretation of these covenants and approval of all construction, remodeling and additions

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are vested solely in the Committee, as qualified in Paragraph 1 above.

2. All lots in KINGSWOOD UNIT II, except Tract C for the ASSOCIATIONS'S community property, private access and Club parking, shall be residential lots, and said lots shall have constructed thereon residential dwellings only. In addition, model homes and suitable subdivision sales offices may be maintained by the Developer or builders or brokers designated by the Developer, not with-standing any other provision to the contrary in these covenants.

3. Platted lots in KINGSWOOD II shall be designed for "casitas," smaller cluster or patio homes built by a single builder. Guidelines for the housing shall be agreed on from time to time by the Developer and the Committee. No lots shall be re-subdivided into smaller lots or encumbered in less that the full original dimensions of such lots as shown on the recorded plats containing such lots except when each part-lot becomes part of a lot-unit larger than the original lots involved, or when the Developer and the Development Committee both approve a correction of platted lot lines caused by an engineering error or by a problem of house siting, driveway or parking area, such correcting to be done prior to the start of construction of the home(s) on such lot(s).

4. The plans and locations of all structures, screens and fences, driveways and parking areas on each lot must be approved in writing by the Committee prior to starting construction. The proposed building perimeters, bulkheads, driveways and parking areas must be staked and connecting strings tied thereto before Committee consideration of construction plans, except for any preliminary meetings to discuss tentative ideas. Proposed plans must include a dimensioned plot plan, which shall include the locations of all existing trees exceeding three inches trunk diameter, all buildings, bulkheads, driveways and parking areas, gas meters and post lights.

5. All utility service lead-ins will be underground. All utility meters will be located and colored inconspicuously at the buildings they serve, unless other locations and concealments are approved in writing by the Committee.

6. Detached garages or guest houses may be approved at the discretion of the Committee, in addition to the main dwelling, but such auxiliary buildings may not be used as main dwellings.

7. All structures shall be of new materials, or of materials approved in writing by the Committee. Once started, construction is to be pursued diligently, and all buildings are to present a finished exterior

appearance within four months and landscaping substantially done or the natural landscaping restored within eight months of the start of construction. No garage or guest house or part of a dwelling may be occupied until the whole residence is substantially completed according to the plans approved by the Committee, and the Committee shall have the authority to decide what constitutes substantial completion.

8. All roofs and other exterior construction exposed to public view are to be of materials and colors which blend with the natural surroundings, and which are, in the opinion of the Committee, of sufficiently good quality of design and construction to be suitable in KINGSWOOD. The Committee will require structures whose architecture is compatible with the natural surroundings. Lot owners must secure written approval from the Committee of all exterior materials and colors, except subsequent repainting or restaining of colors identical to colors previously approved by the Committee for the particular building, fence or structure.

9. All laundry drying areas, trash and waste material, and trash containers must be screened from public view. Fences and screens shall be painted or stained so as to blend with the natural surroundings and adjacent structures, and the location, design, materials, colors and height of any fences and screens shall require the Committee's approval. Lot-line fencing will not normally be permitted, to preserve the natural environment. Outside window awnings or drop shades are subject to Committee approval. No inside or outside reflective screening exposed to public view will be permitted. All exterior metal and plastic must have flat (non-shiny) surfaces in approved natural colors.

10. All metal and plastic containers exposed to public view shall be painted or colored to blend with the natural surroundings, acceptable to and approved by the Committee. No plastic, reflective or light-colored screening or covers may be used on vehicles, stacks of firewood or other objects exposed to public view. Exposed firewood must be neatly stacked in an inconspicuous location, without plastic or tarpaulin covers, or under or behind an approved shelter or screen.

11. No trailers, motor homes, mobile homes, unmounted campers, or commercial vehicles (except on service calls) shall be mounted or parked on any lot, unless inside an approved garage. No tents or other types of temporary buildings may be erected on any lots except such temporary contractors' buildings or vehicles as may be necessary during construction and are approved by the Committee. No disabled or dismantled vehicles or machinery

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will be left on any lots, nor will unsightly accumulations of building material be permitted except as actually necessary during construction. All tools, materials, all landscaping equipment, household effects, machinery or machinery parts, boats, boxes, bags and other items which shall in appearance detract from the aesthetic value of the property shall be so placed and stored so as to be concealed from public view. Firewood and other storage, mailboxes, residential post lights and other exterior building and yard lighting are subject to Committee approval. Little-used vehicles must be properly garaged or screened from public view. Motorcycles or motorbikes normally constitute a nuisance in a quiet residential area, and residents and their guests will restrict their operation within KINGSWOOD DEVELOPMENT to quiet and direct travel on the paved streets going to and from suitable highways or trails outside KINGSWOOD.

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19. No billboards or advertising signs of any character, including but not limited to "for sale" or "for rent" or similar signs, shall be erected, placed, permitted or maintained on said lot visible to the public except as herein expressly permitted. Small name and/or address signs shall be permitted and no other sign of any kind or design shall be allowed. The provisions of this paragraph may be waived by Developer only when in its discretion the same is necessary to promote the initial sale of new homes and property in and development of the subdivision and Club areas. In addition to any other remedies

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21. All dwelling owners will be required to construct and maintain one functioning automatic electric post light of suitable design, and approximately six feet in height in a suitable location on the street boundary of their lots. Such lights will be on during all hours of darkness and will have bulbs of such wattage as may be specified by the Committee.

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24. The community areas above described and all facilities placed thereon shall remain undivided and no owner shall bring any action for partition or sale, it being agreed that this restriction is necessary in order to preserve the rights of the owners with respect to the use and management of the common lands and facilities.

25. No exposed antennas may be erected or maintained on any lot or building without the prior written approval of the Committee.

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26. The purchaser of any lot in the KINGSWOOD DEVELOPMENT shall automatically, upon becoming the owner of such lot, be a member of the Association, and shall remain a member of said Association until such time as his ownership ceases for any reason, at which time his membership in said Association shall automatically cease. The acceptance of any deed to any of the lots in the KINGSWOOD DEVELOPMENT or the use of any of the KINGSWOOD property by any person, shall signify that these covenants, amended by-laws and Articles of Incorporation of the Association are accepted, consented to, ratified, and will be complied with by such person. The administration of the Association shall be in accordance with these covenants, by-laws, decisions and resolutions of the Association, and failure to comply with any such decision, provisions or resolutions shall be grounds for action to recover sums due, for damages, or for injunctive relief. Ownership of one lot shall entitle the owner to one membership in the corporation for each lot or lot-unit owned. There shall be one membership for each lot or one membership for each lot unit, even though title may be vested in the name of husband and wife jointly or be more than one owner. In the event that more than one lot or lot unit or combination of lot and lot unit is owned by the same individual, firm, partnership or corporation, that individual, firm, partnership or corporation shall be entitled to as many votes as the number of lots or lot units owned.

27. The Association shall be responsible for the maintenance, repair, operation and improvement of the designated common lands and all other community facilities and streets deeded to it or held by easements and shall be responsible for the payment of all costs in connection therewith, including property taxes, insurance premiums and all utilities used in connection therewith and all other costs incurred for the benefit of the lot owner as a community and shall have power to assess the owner of an individual lot or lot unit equally for the payment of said expenses, which assessment shall become a lien upon the owner's lot or lot units and interest of the common recreation area prior to all liens except tax liens and assessments on said property in favor of any legal assessing unit. "Equally" shall involve one rate for improved (homes built) and another for unimproved (homes not yet built) lots; lots on which homes have been built shall be assessed at four times the rate paid on vacant lots, unless changed by mutual agreement of the Developer and at least 51% of the then members of the Association.

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29. The Association shall have the powers, rights and duties and shall meet as provided in Articles of Incorporation and By-Laws and recorded covenants for the purposes contained therein, including the operation, maintenance and improvement of the facilities of KINGSWOOD DEVELOPMENT and the enforcement of all recorded covenants and such other business as may come before the general benefit and welfare of the owners. The affairs of the Association shall be conducted in such a manner as to comply strictly with the protective covenants of KINGSWOOD DEVELOPMENT, and the similar provisions of the Articles of Incorporation and By-Laws of the Association and in such a manner as to protect the interest and welfare of present and future owners of lots or lot units in KINGSWOOD DEVELOPMENT. The Association may adopt such other rules and regulations as are necessary to carry out the intent and the purposes of the Covenants, its Articles of Incorporation and By-Laws, provided all costs thereof shall be paid by the Association and that the same are consistent with these and other recorded covenants of the KINGSWOOD DEVELOPMENT. A majority of Association Members voting at any general meeting of Members (assuming a quorum is present) may impose "House Rules" (such as uniform address signs, post light design, gas meter concealment design, etc.), with the advice and consent of the Committee, or the Committee may institute such "House Rules," which may be changed from time to time, on its own.

30. Each lot owner shall pay his equal share of all dues and assessments when due, and may not exempt himself from liability from his share of the dues and assessments by waiver or abandonment of the use and enjoyment of his lot for the Association's facilities. Neither the Trustee, the Developer, nor the Builder(s) shall be a member of the Association by virtue of ownership of unsold lots, nor shall they have voting rights nor dues or assessments of the Association. However, to facilitate communications and cooperation in matters of mutual interest, the Developer and Builder(s) shall receive copies of all Association communications to members and shall send a representative to all Association meetings.

31. The Association shall carry liability insurance protecting the Association and the Developer, Trustee and Builder(s) as additional insureds in such companies and in such amounts as approved by the Association, but not less than \$1,000,000 for any one accident, and adequate physical damage coverage on any insurable recreation facility. A copy of such policies shall be provided Developer, Trustee and Builder(s).

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32. Lot owners shall be responsible for providing adequate off-street parking space and for seeing that, insofar as possible, the moving-traffic street lanes adjacent to their lots and designated fire lanes are kept free of parked vehicles. The Committee and the president of the Association shall have the authority to have improperly-parked vehicles removed at the owner's expense.

33. All KINGSWOOD property owners are responsible for seeing that water runoff collected on their property is directed to natural drainage channels, or to street ditches when they have been constructed. If owners fail to construct and maintain such provisions, the Association may do so at the owner's expense. All drainage construction will require Committee approval, and consideration shall be given to the additional runoff directed to the above mentioned channels, created through the development of the subdivision.

34. The foregoing restrictions and covenants run with such parts of the land described above as may be platted as parts of the KINGSWOOD DEVELOPMENT and shall be binding on all persons owning any part of said land regardless of whether the same is platted or not until January 1, 2014 at which time said covenants shall be automatically extended for successive periods of ten (10) years unless by a vote of at least two-thirds (2/3) of the then owners of the lots in KINGSWOOD DEVELOPMENT, it is agreed to change the said covenants in whole or in part.

Deeds of conveyance of said property, or any part thereof, may contain the above restrictive covenants by reference to this document, but whether or not such reference is made in such deed or any part thereof, each and all restrictive covenants shall be valid and binding upon the respective grantees. Violation of any one or more of these covenants may be restrained by a court of competent jurisdiction and damages awarded against such violators, provided, however, that a violation of these restrictive covenants, or any one or more of them, shall not affect the lien of any mortgage now of record or which hereafter may be placed of record upon said lot. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any of the other provisions but they shall remain in full force and effect.

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If there is a violation or threatened or attempted violation of any of these covenants and restrictions, it shall be lawful for any person or persons, association or corporation, specifically including the KINGSWOOD OWNERS' ASSOCIATION, owning any part of the KINGSWOOD DEVELOPMENT and concerned to prosecute any proceedings at law or in equity against the person or persons violating or attempting or threatening to violate any of these covenants or restrictions, and either to restrain or to enjoin such violation or to recover damages for such violation. In such event, the prevailing party shall be entitled to reasonable attorneys' fees. However, the normal method of enforcement of these covenants shall be by the Committee, or the Board of Directors of the Association with the advice and consent of the Committee, first notifying the property owner involved of the covenants or "House Rules" violation; if the owner fails to correct the violation promptly, the Committee (or Association Board of Directors with Committee approval) shall have the power to take whatever enforcement action it deems necessary and appropriate, and to charge any expenses involved to the property owner, including but not limited to legal fees and costs.

IN WITNESS WHEREOF, the CAPITAL TITLE AGENCY, an Arizona Corporation, as Trustee, as caused its corporate name to be signed and its corporate seal to be affixed by the undersigned officers thereunto duly authorized this 28th day of March 1986.

ATTEST:

CAPITAL TITLE AGENCY, as Trustee

Cynthia P. Schlueter

John Miller

The undersigned have ratified and approved the foregoing
Protective Covenants by signing the acceptance below.

ACCEPTED AND APPROVED:

WILDWOOD REALTY & INVESTMENTS, INC.

DYNAMIC DEVELOPMENT CORPORATION

L.L.(H.)

Darrell Smith

State of Arizona
County of Yavapai

Before me appeared Robert E. Hannay known to me to be the
President of WILDWOOD REALTY & INVESTMENTS, INC., and signed
this acceptance the 28th day of March, 1986.

SEAL

My commission will expire: Nov 10, 1988

Christina P. Schlueter
Notary Public

State of Arizona
County of Yavapai

Before me appeared Darrell G. Smith known to me to be the
President of DYNAMIC DEVELOPMENT CORPORATION, and signed
this acceptance the 28th day of March, 1986

SEAL

My commission will expire:
Nov 10, 1988

Christina P. Schlueter
Notary Public

State of Arizona
County of Yavapai

Before me appeared Walter F. Serrano, known to me to be the
Vice-President of CAPITAL TITLE AGENCY, and signed
this document the 28th day of March, 1986.

SEAL

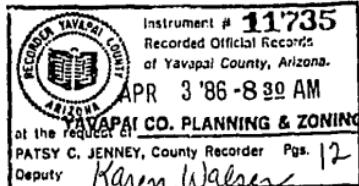
Christina P. Schlueter
Notary Public

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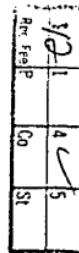
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Clay Holder
RUSH Realty
Wildwood Inc.

MICROFILMED
INDEXED
AMENDED
PROTECTIVE COVENANTS
OF
KINGSWOOD UNIT II



CAPITAL TITLE AGENCY, an Arizona Corporation, as Trustee, hereinafter referred to as "Trustee," being the owner of all of that certain property situate in the County of Yavapai, State of Arizona, as recorded in the plat of record in Book 25 Pages 67, Official Records in the office of the Yavapai County Recorder, to establish the nature of the use and enjoyment hereof, does hereby declare said premises or portions thereof, to be subject to the following standard express covenants, stipulations, and restrictions as to the use and enjoyment thereof, which are to be construed to be restrictive covenants running with the title to the premises.



DEFINITIONS:

"KINGSWOOD DEVELOPMENT" as used herein shall include the property contained in the recorded plat of KINGSWOOD UNIT I, except Tract B, KINGSWOOD UNIT II, and any future plats of KINGSWOOD which may be recorded by the Developer.

"Association" as used herein shall refer to the KINGSWOOD OWNERS' ASSOCIATION, an Arizona corporation, the Articles of Incorporation of which will be recorded subsequently.

"Committee" shall refer to the architectural committee created by these covenants and pertinent to KINGSWOOD UNIT I AND II and such future plats of KINGSWOOD units as may be recorded by the Developer.

"Developer" as used herein shall refer to WILDWOOD REALTY AND INVESTMENTS, INC., and Arizona corporation, or its successors or assigns as Developer, exclusive of KINGSWOOD lot purchasers.

"Builder(s)" as used herein refers to licensed contractors who may purchase from the developer KINGSWOOD lots on which to construct new homes.

"Club" refers to the Prescott Racquet Club, or its successors, operating a membership private club on KINGSWOOD UNIT I, TRACT B, and possible additional tracts of KINGSWOOD.

"Trustee" as used herein shall refer to CAPITAL TITLE AGENCY, a

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THIS INSTRUMENT BEING RE-RECORDED FOR THE SOLE PURPOSE OF AMENDING PARAGRAPH 3
OF PAGE 3.

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corporation, its successors who hold as Trustee legal title to all or part of KINGSWOOD DEVELOPMENT, or such successor Trustee as the Developer may designate.

"Common Facilities" as used herein shall refer to those areas designated as such on any recorded plats of KINGSWOOD DEVELOPMENT and the facilities located thereon.

"Lot" as used herein shall refer to an individual lot according to any recorded plat of KINGSWOOD DEVELOPMENT wherein the same is located and the same appears on such plats, or as amended or corrected.

"Lot Unit" as used herein shall refer to combined contiguous lots or portions of lots which are or have been sold and purchased as an indivisible single unit.

"Member" as used herein shall refer to one membership in the Association arising by virtue of an ownership of one or more lots or lot units.

1. There shall be created an architectural committee, herein-after referred to as "Committee", consisting of two or three persons appointed by Developer, which Committee shall function for the purpose of insuring that the restrictions and covenants contained herein are adhered to and that the general development of KINGSWOOD DEVELOPMENT, including its subsequent plats and related adjacent developments which may be placed under the same jurisdiction by Developer, is of the desired tone and attractiveness to secure to each lot owner the full benefit and enjoyment of his property and the community. When all of the property of KINGSWOOD DEVELOPMENT has been platted and recorded and all lots have been sold, or at such earlier time as the Developer deems appropriate, the Developer will assign the responsibility and authority for the appointment and operation of the Committee to the KINGSWOOD OWNERS' ASSOCIATION; effective at the time of such assignment, the Trustee and Developer shall automatically be relieved of any liability for any Committee decision, action or failure to act. The Committee may choose to handle some approval and policy matters on a bulletin basis, with experience, changing community opinions, products and lifestyles. Examples of matters subject to such changes are suitable building materials, firewood and trash container concealment and storage. The authority and responsibility for interpretation of these covenants and approval of all construction, remodeling and additions

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are vested solely in the Committee, as qualified in Paragraph 1 above.

2. All lots in KINGSWOOD UNIT II, except Tract C for the ASSOCIATION'S community property, private access and Club parking, shall be residential lots, and said lots shall have constructed thereon residential dwellings only. In addition, model homes and suitable subdivision sales offices may be maintained by the Developer or builders or brokers designated by the Developer, not withstanding any other provision to the contrary in these covenants.

3. Platted lots in KINGSWOOD II shall be designed for "casitas," smaller cluster or patio homes built by a single builder. Guidelines for the housing shall be agreed on from time to time by the Developer and the Committee. No lots shall be re-subdivided into smaller lots or encumbered in less than the full original dimensions of such lots as shown on the recorded plats containing such lots.

4. The plans and locations of all structures, screens and fences, driveways and parking areas on each lot must be approved in writing by the Committee prior to starting construction. The proposed building perimeters, bulkheads, driveways and parking areas must be staked and connecting strings tied thereto before Committee consideration of construction plans, except for any preliminary meetings to discuss tentative ideas. Proposed plans must include a dimensioned plot plan, which shall include the locations of all existing trees exceeding three inches truck diameter, all buildings, bulkheads, driveways and parking areas, gas meters and post lights.

5. All utility service lead-ins will be underground. All utility meters will be located and colored inconspicuously at the buildings they serve, unless other locations and concealments are approved in writing by the Committee.

6. Detached garages or guest houses may be approved at the discretion of the Committee, in addition to the main dwelling, but such auxiliary buildings may not be used as main dwellings.

7. All structures shall be of new materials, or of materials approved in writing by the Committee. Once started, construction is to be pursued diligently, and all buildings are to present a finished exterior

appearance within four months and landscaping substantially done or the natural landscaping restored within eight months of the start of construction. No garage or guest house or part of a dwelling may be occupied until the whole residence is substantially completed according to the plans approved by the Committee, and the Committee shall have the authority to decide what constitutes substantial completion.

8. All roofs and other exterior construction exposed to public view are to be of materials and colors which blend with the natural surroundings, and which are, in the opinion of the Committee, of sufficiently good quality of design and construction to be suitable in KINGSWOOD. The Committee will require structures whose architecture is compatible with the natural surroundings. Lot owners must secure written approval from the Committee of all exterior materials and colors, except subsequent repainting or restaining of colors identical to colors previously approved by the Committee for the particular building, fence or structure.

9. All laundry drying areas, trash and waste material, and trash containers must be screened from public view. Fences and screens shall be painted or stained so as to blend with the natural surroundings and adjacent structures, and the location, design, materials, colors and height of any fences and screens shall require the Committee's approval. Lot-line fencing will not normally be permitted, to preserve the natural environment. Outside window awnings or drop shades are subject to Committee approval. No inside or outside reflective screening exposed to public view will be permitted. All exterior metal and plastic must have flat (non-shiny) surfaces in approved natural colors.

10. All metal and plastic containers exposed to public view shall be painted or colored to blend with the natural surroundings, acceptable to and approved by the Committee. No plastic, reflective or light-colored screening or covers may be used on vehicles, stacks of firewood or other objects exposed to public view. Exposed firewood must be neatly stacked in an inconspicuous location, without plastic or tarpaulin covers, or under or behind an approved shelter or screen.

11. No trailers, motor homes, mobile homes, unmounted campers, or commercial vehicles (except on service calls) shall be mounted or parked on any lot, unless inside an approved garage. No tents or other types of temporary buildings may be erected on any lots except such temporary contractors' buildings or vehicles as may be necessary during construction and are approved by the Committee. No disabled or dismantled vehicles or machinery

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will be left on any lots, nor will unsightly accumulations of building material be permitted except as actually necessary during construction. All tools, materials, all landscaping equipment, household effects, machinery or machinery parts, boats, boxes, bags and other items which shall in appearance detract from the aesthetic value of the property shall be so placed and stored so as to be concealed from public view. Firewood and other storage, mailboxes, residential post lights and other exterior building and yard lighting are subject to Committee approval. Little-used vehicles must be properly garaged or screened from public view. Motorcycles or motorbikes normally constitute a nuisance in a quiet residential area, and residents and their guests will restrict their operation within KINGSWOOD DEVELOPMENT to quiet and direct travel on the paved streets going to and from suitable highways or trails outside KINGSWOOD.

12. No structure in whole or in part shall be moved on the property without the prior written approval of the Committee and must in any case be brought up to covenants standards within ninety (90) days.

13. Landscaping of an informal type compatible with the natural surroundings will be required, with approval authority vested in the Committee. Any cutting of native trees and shrubs shall require prior written approval of the Committee. Property owners are required to protect their property from damage to natural terrain and growth during construction, to preserve the natural landscape. The Committee may require replacement of trees or shrubs removed without Committee approval, replacement to be made at the lot owner's expense. If the lot owner fails to make suitable restoration or replacement promptly, the Committee may do so at the lot owner's expense.

14. KINGSWOOD has a unique natural country setting. Artificial plants, statuary, colored rock surfacing and excessive displays of rocks, stumps, branches, bones, antlers, artifacts, plastic windmills or other bric-a-brac are not permitted, unless approved by the Committee. To preserve the natural environment, the Committee has approval authority in all landscaping. Fences, rows of rocks and similar lot-defining perimeter lines will normally not be permitted.

15. All dwellings used for residential purposes shall install flush toilets, and all bathrooms, toilets and sanitary conveniences shall be inside the buildings permitted hereunder. All bathrooms, toilets and sanitary conveniences shall be connected to sewer systems constructed and maintained in accordance with applicable governmental requirements and standards.

16. The storage, collection, disposal and removal of all debris, garbage and trash must be in accordance with applicable government requirements.

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All outside fires, whether for cooking, trash burning or other purposes, shall be considered dangerous, and shall not be permitted unless confined to a well-built and protected fireplace, barbecue or incinerator and suitable extinguishing equipment available. Each home must maintain a dry chemical or other suitable and functioning fire extinguisher on each floor of the home. The Committee will decide, if necessary, whether such activities and protection are appropriate for the general safety of the community. All fireplaces, chimneys and outlets from stoves, heating appliances and outside fireboxes must provide for protection from flying sparks by screening or other spark-arresting facilities.

17. Solar collector plates and other visible solar devices must be screened from present or future public view in an installation approved by the Committee, to avoid reflecting to neighboring properties. Reflective skylights exposed to present or future public view will not be permitted, but normally flat, bronze-tinted or similar skylights are non-reflective and may be permitted by the Committee. Windmills and similar machinery are usually inappropriate in a wooded residential community, are subject to Committee approval and will normally not be permitted.

18. The KINGSWOOD streets are private streets belonging to the Association for the benefit of KINGSWOOD owners and their guests, and members and guests of the Club. Costs of street maintenance will be borne by the Association, except such portions as may be maintained by others under joint-maintenance agreements, including an existing agreement with the Pine Lakes owners. Streets are on easements on recorded plats; in addition, all owners agree hereby to grant any additional easements, to include all street shoulders, ditches and slopes, and drainage channels requested by the Association, and for necessary corrections of surveying errors or adjustments of the streets as constructed. Members are responsible for compliance of family members and guests with all posted traffic signs and rules.

19. No billboards or advertising signs of any character, including but not limited to "for sale" or "for rent" or similar signs, shall be erected, placed, permitted or maintained on said lot visible to the public except as herein expressly permitted. Small name and/or address signs shall be permitted and no other sign of any kind or design shall be allowed. The provisions of this paragraph may be waived by Developer only when in its discretion the same is necessary to promote the initial sale of new homes and property in and development of the subdivision and Club areas. In addition to any other remedies

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available by law, if there be a violation of the within restrictions, the Committee or its duly authorized agents may enter upon the property of the lot owner for the purpose of removing any unauthorized signs constituting a violation and remove the signs without liability to the lot owner of any kind. This same authority for the Committee applies to any unauthorized construction, antennas, stored articles, etc. or any other breaches of these covenants, and all costs of any such actions, including legal costs, may be charged against the lot owner, and collection may be enforced by personal money judgment or by lien on the property involved or other property.

20. No livestock or poultry may be maintained on the lots except household pets which do not constitute a nuisance. Pets will not be permitted on Club property. The Committee may require that any pets which are causing a noise or other nuisance be leashed or otherwise controlled, or that such pets be excluded from the KINGSWOOD DEVELOPMENT.

21. All dwelling owners will be required to construct and maintain one functioning automatic electric post light of suitable design, and approximately six feet in height in a suitable location on the street boundary of their lots. Such lights will be on during all hours of darkness and will have bulbs of such wattage as may be specified by the Committee.

22. Attempts by lot owners to utilize any mineral or water rights on their lots shall require prior written approval by the Committee. It is anticipated that such utilization would normally not be desirable in a residential area.

23. The areas designated "Park" and "Common Land" on KINGSWOOD recorded plats shall be community street, utility or other lands and shall be accepted by the Association automatically on recording each plat for the exclusive use and benefit of every purchaser of any lot in any of the plats of KINGSWOOD DEVELOPMENT. The Association may construct additional facilities upon such property on approval by Developer, in accordance with the Association's Articles of Incorporation and the pertinent recorded by-laws and covenants of the Association as amended.

24. The community areas above described and all facilities placed thereon shall remain undivided and no owner shall bring any action for partition or sale, it being agreed that this restriction is necessary in order to preserve the rights of the owners with respect to the use and management of the common lands and facilities.

25. No exposed antennas may be erected or maintained on any lot or building without the prior written approval of the Committee.

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26. The purchaser of any lot in the KINGSWOOD DEVELOPMENT shall automatically, upon becoming the owner of such lot, be a member of the Association, and shall remain a member of said Association until such time as his ownership ceases for any reason, at which time his membership in said Association shall automatically cease. The acceptance of any deed to any of the lots in the KINGSWOOD DEVELOPMENT or the use of any of the KINGSWOOD property by any person, shall signify that these covenants, amended by-laws and Articles of Incorporation of the Association are accepted, consented to, ratified, and will be complied with by such person. The administration of the Association shall be in accordance with these covenants, by-laws, decisions and resolutions of the Association, and failure to comply with any such decision, provisions or resolutions shall be grounds for action to recover sums due, for damages, or for injunctive relief. Ownership of one lot shall entitle the owner to one membership in the corporation for each lot or lot-unit owned. There shall be one membership for each lot or one membership for each lot unit, even though title may be vested in the name of husband and wife jointly or be more than one owner. In the event that more than one lot or lot unit or combination of lot and lot unit is owned by the same individual, firm, partnership or corporation, that individual, firm, partnership or corporation shall be entitled to as many votes as the number of lots or lot units owned.

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29. The Association shall have the powers, rights and duties and shall meet as provided in Articles of Incorporation and By-Laws and recorded covenants for the purposes contained therein, including the operation, maintenance and improvement of the facilities of KINGSWOOD DEVELOPMENT and the enforcement of all recorded covenants and such other business as may come before the general benefit and welfare of the owners. The affairs of the Association shall be conducted in such a manner as to comply strictly with the protective covenants of KINGSWOOD DEVELOPMENT, and the similar provisions of the Articles of Incorporation and By-Laws of the Association and in such a manner as to protect the interest and welfare of present and future owners of lots or lot units in KINGSWOOD DEVELOPMENT. The Association may adopt such other rules and regulations as are necessary to carry out the intent and the purposes of the Covenants, its Articles of Incorporation and By-Laws, provided all costs thereof shall be paid by the Association and that the same are consistent with these and other recorded covenants of the KINGSWOOD DEVELOPMENT. A majority of Association Members voting at any general meeting of Members (assuming a quorum is present) may impose "House Rules" (such as uniform address signs, post light design, gas meter concealment design, etc.), with the advice and consent of the Committee, or the Committee may institute such "House Rules," which may be changed from time to time, on its own.

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31. The Association shall carry liability insurance protecting the Association and the Developer, Trustee and Builder(s) as additional insureds in such companies and in such amounts as approved by the Association, but not less than \$1,000,000 for any one accident, and adequate physical damage coverage on any insurable recreation facility. A copy of such policies shall be provided Developer, Trustee and Builder(s).

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32. Lot owners shall be responsible for providing adequate off-street parking space and for seeing that, insofar as possible, the moving-traffic street lanes adjacent to their lots and designated fire lanes are kept free of parked vehicles. The Committee and the president of the Association shall have the authority to have improperly-parked vehicles removed at the owner's expense.

33. All KINGSWOOD property owners are responsible for seeing that water runoff collected on their property is directed to natural drainage channels, or to street ditches when they have been constructed. If owners fail to construct and maintain such provisions, the Association may do so at the owner's expense. All drainage construction will require Committee approval, and consideration shall be given to the additional runoff directed to the above mentioned channels, created through the development of the subdivision.

34. The foregoing restrictions and covenants run with such parts of the land described above as may be platted as parts of the KINGSWOOD DEVELOPMENT and shall be binding on all persons owning any part of said land regardless of whether the same is platted or not until January 1, 2014 at which time said covenants shall be automatically extended for successive periods of ten (10) years unless by a vote of at least two-thirds (2/3) of the then owners of the lots in KINGSWOOD DEVELOPMENT, it is agreed to change the said covenants in whole or in part.

Deeds of conveyance of said property, or any part thereof, may contain the above restrictive covenants by reference to this document, but whether or not such reference is made in such deed or any part thereof, each and all restrictive covenants shall be valid and binding upon the respective grantees. Violation of any one or more of these covenants may be restrained by a court of competent jurisdiction and damages awarded against such violators, provided, however, that a violation of these restrictive covenants, or any one or more of them, shall not affect the lien of any mortgage now of record or which hereafter may be placed of record upon said lot. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any of the other provisions but they shall remain in full force and effect.

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If there is a violation or threatened or attempted violation of any of these covenants and restrictions, it shall be lawful for any person or persons, association or corporation, specifically including the KINGSWOOD OWNERS' ASSOCIATION, owning any part of the KINGSWOOD DEVELOPMENT and concerned to prosecute any proceedings at law or in equity against the person or persons violating or attempting or threatening to violate any of these covenants or restrictions, and either to restrain or to enjoin such violation or to recover damages for such violation. In such event, the prevailing party shall be entitled to reasonable attorneys' fees. However, the normal method of enforcement of these covenants shall be by the Committee, or the Board of Directors of the Association with the advice and consent of the Committee, first notifying the property owner involved of the covenants or "House Rules" violation; if the owner fails to correct the violation promptly, the Committee (or Association Board of Directors with Committee approval) shall have the power to take whatever enforcement action it deems necessary and appropriate, and to charge any expenses involved to the property owner, including but not limited to legal fees and costs.

IN WITNESS WHEREOF, the CAPITAL TITLE AGENCY, an Arizona Corporation, as Trustee, as caused its corporate name to be signed and its corporate seal to be affixed by the undersigned officers thereunto duly authorized this 6th day of November, 1986.

ATTEST:

CAPITAL TITLE AGENCY, as Trustee

Janet P. Schleck

John P. Schleck

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The undersigned have ratified and approved the foregoing
Protective Covenants by signing the acceptance below.

ACCEPTED AND APPROVED:

WILDWOOD REALTY & INVESTMENTS, INC.

Robert E. Hannay

DYNAMIC DEVELOPMENT CORPORATION

Darrell E. Smith

State of Arizona
County of Yavapai Maricopa

Before me appeared Robert E. Hannay known to me to be the
President of WILDWOOD REALTY & INVESTMENTS, INC., and signed
this acceptance the 3rd day of November, 1986.

My commission expires: January 17, 1989

Carolyn J. Must
Notary Public

SEAL

State of Arizona
County of Yavapai Maricopa

Before me appeared Darrell E. Smith known to me to be the
President of DYNAMIC DEVELOPMENT CORPORATION, and signed
this acceptance the 3rd day of November, 1986.

My commission expires: January 17, 1989

Carolyn J. Must
Notary Public

SEAL

State of Arizona
County of Yavapai S.S.

Before me appeared Waldemar F. Serrano, known to me to be the
Vice-President of CAPITAL TITLE AGENCY, and signed
this document the 6th day of November, 1986.

SEAL

Emilia P. Schleicht
Notary Public

My commission expires: November 10, 1988

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INSTRUMENT # 8649838
DEFINITIVE RECORDS OF
MARICOPA COUNTY
PARTY 1: JENNIFER
REQUISTION
CAPTION: ESTATE OF
DATE: 11/20/06 TIME: 16:40
FEE: \$1.00
BOOK: 1074 PAGE: 266 PAGE 013

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