

Aspen Creek Engineering
340 W. Willis #2
Prescott, AZ 86301

Recorded 12/17/96

PROTECTIVE COVENANTS
OF
KINGSWOOD UNIT III

PRESCOTT PARTNERS LIMITED PARTNERSHIP, an Arizona Limited Partnership, hereinafter referred to as “Declarant”, 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 34 Pages 5-6, 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 (these “Covenants”) as to the use and enjoyment thereof, which are to be construed to be restrictive covenants running with the title to the premises.

DEFINITIONS:

“Property” and “Kingswood Unit III” as used herein shall include the property contained in the record plat of KINGSWOOD ESTATES UNIT III.

“Association” as used herein shall refer to the KINGSWOOD ESTATES UNIT III OWNERS ASSOCIATION, an Arizona corporation.

“Committee” shall refer to the architectural committee created by these covenants.

“Developer” as used herein shall refer to PRESCOTT PARTNERS LIMITED PARTNERSHIP, an Arizona corporation, or its successors or assigns as Developer, exclusive of lot purchasers.

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

“Common Facilities” or “Common Areas” as used herein shall refer to those areas designated as

Tracts A & B on the recorded plat of KINGSWOOD ESTATES UNIT III, Tract A of the Recorded Plat of KINGSWOOD UNIT II and Tract C of the Recorded Plat of KINGSWOOD UNIT I and the facilities located thereon.

“Lot” as used herein shall refer to an individual lot according to the recorded plat of KINGSWOOD ESTATES UNIT III wherein the same is located and the same appears on such plat, 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.

“Plat” means that certain plat of KINGSWOOD ESTATES UNIT III, recorded by Declarant in Book 3329 of Maps, Page(s) 523-533 of the official records of the County Recorder of Yavapai County, Arizona together with any other plats of all or any portion of the Project recorded by or at the request of Declarant, as the same are amended from time to time. Amendments to Plats are subject to Section 32 of these Covenants.

“Project” shall initially mean only Lots 1 through 46 of KINGSWOOD ESTATES UNIT III (“Unit III”). “Project” shall also include any parcel(s) if said parcel(s) are subsequently annexed in the manner described in Section 32 hereof.

1. There shall be created an architectural committee, hereinafter 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 the Property 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 lots of KINGSWOOD ESTATES UNIT III 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 ESTATES UNIT III OWNERS ASSOCIATION; effective at the time of such assignment, the 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 concealment and storage. The authority and responsibility for interpretation of these covenants and

approval of all construction, remodeling and additions are vested solely in the Committee, as qualified in Paragraph 1 above.

2. All Lots in KINGSWOOD ESTATES UNIT III 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 real estate brokers designated by the Developer, notwithstanding any other provision to the contrary in these Covenants.

3. Platted Lots in KINGSWOOD ESTATES UNIT III shall be designed for single family residences. 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 except when each part-Lot becomes part of a Lot Unit larger than the original Lots involved, or when the Developer and the 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 to the start of construction of the home(s) on such Lot(s).

4. The plans and location 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 shall be of a minimum Class B fire rating, and 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 ESTATES UNIT III. 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. 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, disabled or dismantled vehicles or commercial vehicles (except on service calls) shall be mounted or parked on any Lot, unless inside an approved garage. 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 to quiet and direct travel on the paved streets going to and from suitable highways or trails. No tents or other types of temporary buildings may be erected on any Lots except such temporary contractor's building or vehicles as may be necessary during construction and have been approved by the Committee. Machinery may not be left on any Lot nor will unsightly accumulation of building material be permitted except as is actually necessary during construction. All tools, materials, landscaping equipment, household effects, machinery or machinery parts, boats, boxes, bags or other such items which shall in appearance detract from the aesthetic value of the property shall be placed and stored so as to be concealed from public view. Firewood and other storage, mailboxes, residential post lights and other exterior and building lighting are subject to Committee approval.

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 ESTATES UNIT III 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 rock 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. 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 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, avoiding reflecting to neighboring properties. Windmills, weathervanes and similar machinery are usually inappropriate in a wooded residential community, and are subject to Committee approval and will normally not be permitted.

18. The streets in KINGSWOOD ESTATES UNIT III are private streets belonging to the Association for the benefit of Owners and their guests. 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 Mobile Home Park owners and the Prescott Racquet Club owners. Streets are designated on recorded plats; and 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, except for a single "For Sale" sign as approved in writing by the Committee, 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. 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 addition to any other remedies available by law, if there be a violation of these Covenants, 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 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. Pet owners will be required to pick up and properly dispose of their animals droppings. 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 Property.

21. All dwelling owners will be required to construct and maintain one functioning automatic electric post light of a suitable design as approved by the Committee, 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 as Tracts A & B on the KINGSWOOD ESTATES UNIT III recorded plat 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 KINGSWOOD ESTATES UNIT III. The Association may construct additional facilities upon such property on approval by Declarant, in accordance with the Association's Articles of Incorporation and the pertinent recorded By-Laws of the Association.

24. The Common 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 Areas and facilities.

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

26. The purchaser of any lot in KINGSWOOD ESTATES UNIT III 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 KINGSWOOD ESTATES UNIT III or the use of the KINGSWOOD ESTATES UNIT III property by any person, shall signify that these Covenants, 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, and the 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 Association 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. A. 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.

B. The Association 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. "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 unimproved Lots, unless changed by mutual agreement of the Declarant and at least 51% of the then members of the Association.

C. In addition to the assessment for normal expenses of the Association described above, the Association may levy a Special Assessment on any Member's Lot or Lot Unit for the purpose of defraying in whole or in part the cost of any construction or reconstruction, repair or replacement of any landscaping or other improvement installed upon the Common Areas, provided that such Special Assessment shall have the written consent of the Declarant (if Declarant then owns any portion of the Property), and no less than two-thirds (2/3) of the votes of the Members voting in person or proxy at a meeting of the Association duly called for that purpose. Said Special Assessment shall be payable as determined by the Declarant (if Declarant then owns any portion of the Property) and the Association and in no event shall the payment period exceed ten years.

D. Any assessments provided for in these Covenants which are not paid when due shall be delinquent. If any such assessment is delinquent, a late charge of \$10.00 per month, or such other charge the Association may determine, shall be levied and the Assessment shall bear interest from the date of delinquency until paid at the rate of 15% per annum.

28. 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.

29. All KINGSWOOD ESTATES UNIT III 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.

30. These Covenants run with such parts of the Property and shall be binding on all persons owning any part of said Property, 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 ESTATES UNIT III, it is agreed to change the said Covenants in whole or in part.

Deeds of conveyance of the 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 deeds 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 way affect any of the other provisions and they shall remain in full force and effect.

31. 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 ESTATES UNIT III OWNER'S ASSOCIATION, owning any part of the KINGSWOOD ESTATES UNIT III 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 the 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 Association with the advice and consent of the Committee, first notifying the Property Owner involved of the Covenants violation. If the Owner fails to correct the violation promptly, the Committee or Association 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 Owner, including but not limited to legal fees and costs.

32. Annexation; Kingswood Master Planned Community

32.1 The Project consists of real property that may be developed in one or more separate subdivisions. Declarant has recorded the KINGSWOOD ESTATES UNIT III plat with respect to the Project, and if further property is annexed into the Project, Declarant may record additional plats. Each Plat may designate Common Areas to be owned and maintained by the Association and the designation of the Common Areas on the Plats shall be binding and conclusive on the Association, Declarant and all Lot Owners. Common Area as designated on the Plat(s) shall not be deeded to the Association until all planned improvements thereon have been completed by the Declarant. No Plat may be amended, revised or replatted or further subdivided without the prior written approval of the Association and the Declarant.

32.2 The Project currently consists of only KINGSWOOD ESTATES UNIT III property, but Declarant reserves the right at its sole discretion and without approval, assent, or vote of the Association or

owners of Lots or Lot Units, to annex into the Project any property that is a part of the Kingswood Planned Area Development (the "Annexation Property"), upon the following conditions:

32.2.1 Any annexation of the Annexation Property shall be made prior to December 31, 2013.

32.2.2 The annexation of any or all of the Annexation property shall be accomplished by Declarant or its Assignee by recording a Declaration of Annexation covering the applicable portion of the Annexation Property with the County Recorder, Yavapai County, Arizona. Each such Declaration of Annexation shall incorporate this Declaration by reference and may contain such complementary additions to and modifications of this Declaration as may be necessary to reflect the different character, if any, of the property annexed hereto.

32.2.3 Upon annexation of all or a portion of the Annexation Property as provided above, the annexed property shall be subject to all provisions of this Declaration, including without limitation the provisions regarding Assessments, without the necessity of amending the individual articles hereof. Additional Common Area located in the annexed property which is to be owned and maintained by the Association may be designated on Plats of all or any portion of the annexed property as provided in Section 32.1 above.

32.3 If the Annexation Property is not annexed into the Project within the time period stated in Section 32.2.1, then the Annexation Property shall be released from this Declaration and all of its restrictions automatically. In addition, Declarant shall have the right, at its sole discretion, to release the Annexation Property which has not been previously annexed into the Project by recording with the Yavapai County Recorder an instrument releasing such property from this Declaration. Declarant makes no representation or warranty that the Annexation Property will be used in accordance with this Declaration following its release from this Declaration. Until and unless it is released from this Declaration, the Annexation Property may not be used for any purpose other than as provided for in this Declaration.

33. Declarant reserves the right, at its sole discretion and without the approval, assent or vote of the Association or Lot Owners, to merge the KINGSWOOD ESTATES UNIT III OWNERS ASSOCIATION into the KINGSWOOD OWNERS ASSOCIATION, Inc. Upon such merger, the KINGSWOOD ESTATES UNIT III OWNERS ASSOCIATION will cease to exist and the Lot Owners shall become members of the KINGSWOOD OWNERS ASSOCIATION, Inc. with all the rights and obligations as if the Lot Owners were originally included in the KINGSWOOD OWNERS ASSOCIATION, Inc. Upon the election of the Declarant to merge, it shall record a Notice of Merger with the Yavapai County Recorder.

IN WITNESS WHEREOF, PRESCOTT PARTNERS LIMITED PARTNERSHIP, has caused its name to be signed by its duly authorized General Partner this _____ day of _____ 1996.

PRESCOTT PARTNERS LIMITED PARTNERSHIP

ATTEST:

By: _____

Anthony M. Burd
President of General Partner