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 OFFICIAL RECORDS OF  
 YAVAPAI COUNTY  
 MARGO W. CARSON  
 REQUEST OF:  
 ROCKY MTN DEV  
 DATE: 08/07/95 TIME: 09:50  
 FEE: 10.00 SC: 4.00 PT: 1.00  
 BOOK 3056 PAGE 179 PAGES: 010

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CAPTION: RESTRICTIONS

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BOOK 3056 PAGE 179

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INDEXED &  
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Pinon-Oaks Subdivision

INSTRUMENT # 9537452  
OFFICIAL RECORDS OF  
YAVAPAI COUNTY  
MARGO W. CARSON  
REQUEST OF:  
ROCKY MOUNTAIN DEVELOPMENT  
DATE: 67/26/95 TIME: 13:30  
FEE: 9.00 SC: 4.00 PT: 1.00  
BOOK 3050 PAGE 093 PAGES: 009



DECLARATION OF RESTRICTIONS

This Declaration made and dated 15th day of June, 1995, by Yavapai-Coconino Title Agency, Inc., an Arizona corporation as trustee, being the owner of all the following described premises situated in the County of Yavapai, State of Arizona, to-wit:

Lots 1 to 41 inclusive, Pinon-Oaks Subdivision, according to the plat of record in the office of the County Recorder of Yavapai County, Arizona in Book 32 of Maps, page 2 thereof;

Whereas, said declarant is about to convey parcels of said real property shown on said Map and desires to subject the same to certain restrictions, conditions, covenants and agreements as hereinafter set forth in furtherance of a general plan for the improvement of said tract;

Now, therefore, the undersigned owner of the hereinabove described property hereby declares that said property is held and shall be conveyed subject to restrictions, conditions, covenants, charges and agreements set forth in this Declaration, to-wit;

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1. **Land Use and Building Type:** No lot shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any lot other than one detached single-family dwelling not to exceed two (2) stories in height, nor 30 feet in height, a private garage, and one guest house where permitted by Yavapai County Planning and Building Department regulations.

No business, trade, or manufacturing of any nature or description shall be carried on or transacted in any portion of said property nor shall any part of said premises be used as hospital or sanitarium or other place for the care or entertainment of persons suffering from any disease or disability whatsoever.

The use and building of any and all structures shall comply with the use, density district and general provisions of the Yavapai County Planning and Building Ordinance. Where there are conflicts the most restrictive provisions apply.

2. **Architectural Control:** No building shall be erected, placed or altered on any lot until the construction plans and specifications and a plan showing the location of the structure have been approved by the Architectural Control Committee as to quality of workmanship and materials, harmony of external design with existing structures, and as to location with respect to topography and finish grade elevation. Refer to the architectural guidelines which can be obtained at Pinon-Oaks Sales Office.

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of this subdivision.

10. **Livestock and Poultry:** No poultry or fowl of any kind shall be raised, bred or kept on any lot, except that dogs, cats or other household pets may be kept provided that they are not kept, bred, or maintained for commercial purposes.

11. **Garbage and Refuse Disposal:** No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage, or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition.

12. **Oil and Mining Operations:** No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind shall be permitted upon or in any lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained, or permitted upon any lot.

13. **Sight Distance at Intersections:** No fence, wall, hedge, or shrub planting which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways, shall be permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points twenty-five (25) feet from the intersection of the street lines, or in the case of a rounded property corner from the intersection of the street property lines extended. No tree shall be permitted to remain within such distances of such intersection unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

14. **Completion of Construction:** Any building in this subdivision the construction of which has been started, shall be completed without delay, except when such delay is caused by act of God, strikes, actual inability of the owner to procure delivery of necessary materials, or by interference by other persons or forces beyond the control of the owner to prevent. Financial inability of the owner or his contractor to secure labor or materials or discharge liens or attachments shall not be deemed a cause beyond his control. Houses are to be finished in not more than 8 months from construction start.

15. **Care of Properties:** All vacant lots in this subdivision shall be at all times kept free of rubbish and litter. The yards and grounds in connection with all improved properties shall be at all times kept in a neat and sightly condition and shall be cultivated and planted to any extent sufficient to maintain an appearance not out of keeping with that of typical improved properties of this subdivision. During prolonged absence, owner of said lot agrees he will arrange for the care of the property, during such absence. In the event a lot owner does not maintain his lot in a neat and proper manner, any neighbors, acting in concert, may have said lot cleaned up and upon refusal to pay within thirty (30) days from date upon filing an affidavit that said owner refuses to maintain said lot in a neat and proper manner, may file said affidavit in the Office of the County Recorder of Yavapai County, State of Arizona, stating the amount therein and to whom it was

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paid and the date and such amount shall constitute a lien against the lot. No overnight parking for any trucks, pickup trucks, or trailers will be permitted in the street, and further, no vehicles other than passenger cars and pickup trucks will be parked in open carports.

16. **Drainage Easement:** Purchaser shall not at any time hereafter fill, block, or obstruct any drainage easements and drainage structures on the demised premises, nor shall purchaser cause or suffer to be erected on the demised premises any building or obstruction for the purpose, directly or indirectly, of obstructing, blocking or filling any such drainage easement or drainage structure, and purchaser agrees to make and forever to repair and maintain all such drainage easements and drainage structures on the demised premises, making good nevertheless at his own expense, all damage which may be caused to the said drainage easements and structures on the demised land, and purchaser agrees to repair at his own expense, all damage to any structure on any lot which may be caused directly or indirectly, by his obstructing, blocking, or filling any such drainage easements.

17. **Architectural Control Committee:** The Architectural Control Committee shall be composed of D. Boyce Bryce, Phillip Larson and Clarice Wilkinson. The Committee may designate a representative to act for it. In the event of death or resignation of any member of the committee, the remaining members shall have full authority to designate a successor. Neither the members of the committee, nor its designated representative, shall be entitled to any compensation for services performed pursuant to this covenant.

18. **Approval Procedure:** The committee's approval or disapproval as required in these covenants shall be in writing. In the event the committee, or its designated representative, fails to approve or disapprove within thirty (30) days after plans and specifications have been submitted to it, or in any event, if not suit to enjoin the construction has been commenced prior to the completion hereof, approval will not be required and the related covenants shall be deemed to have been complied with.

19. **Abandoned or Inoperable Vehicles:** No vehicle of any type which is abandoned or inoperable shall be stored or kept on any lot within the subdivision (or street if the subdivision contains private streets) in such a manner as to be seen from any other lot or from any streets or alleyways within this subdivision.

20. **Repair, Maintenance, and Storage of Vehicles:** No repair or maintenance work shall be performed on any motor vehicle or other piece of equipment except wholly inside a garage. R.V. recreational vehicles, boats, bikes, etc. shall be parked at rear of rear line of house.

21. **Natural Environment:** The natural trees and shrubs are one of the developer's major attractions. Every lot owner should do everything possible to preserve them. In event trees must be cut, they must be approved by the committee in writing. Lot owners are encouraged to replace all cut trees.

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22. **Obstructive Materials:** Firewood, repair materials, storage, lawn and tools and equipment, and other temporary or permanent equipment must be screened or stored completely invisible from the streets and other homes. Air conditioners and coolers must not be mounted on the roof unless completely out of sight. No visible T.V. antennas will be allowed. Ham radio towers must be of the electrically or automatically raised type when in use, and lowered from view when not in use. Ham radio towers must be approved by the committee.

23. **Dominant Tenement:** Each of the lots in said tract shall constitute the dominant tenement and be entitled to the benefit of the covenants herein contained as against all of the other lots in said tract which shall constitute the servient tenements.

24. **Terms:** These covenants are to run with the land and shall be binding on the undersigned and all of its successors in title, interest or possession in all the every part of said premises for 25 years, and thereafter said covenants shall be automatically extended for successive periods of ten (10) years, unless and until the developers or the owners of a majority of the lots affected hereby amend or revoke the same by written instrument, duly acknowledged, and recorded.

25. **Deeds:** Deed of Conveyance of all or any of said lots shall incorporate by reference all of the provisions contained in this document. "However, whether or not recited in the deeds of conveyance, these restrictions, shall be binding on every owner of every lot in the subdivision."

26. **Enforcement:** If the owner or possessor of any lot subject to these restrictions shall violate, or attempt to violate, any of the covenants herein, it shall be lawful for any other person or persons owning any real property situated in said tract to prosecute any proceeding at law or in equity against the person or persons violating or attempting to violate any such covenants and either to prevent him or them from so doing or to recover damages for such violation, or both.

27. **Subordination:** Nothing contained in this declaration shall be held to invalidate the lien of any mortgage or deed of trust prior to foreclosure, provided, however, that any purchaser at any mortgage foreclosure sale or sale under deed of trust shall hold title subject to all the provisions hereof.

28. **Severability:** Invalidation of any one of these covenants by judgement or court order shall in no wise affect any of the other provisions, which shall remain in full force and effect. Nothing contained in this declaration shall impair or defeat the lien of any mortgage or deed of trust made in good faith and for value, but titles to any property subject to this declaration obtained through sale in satisfaction of any such mortgage or deed of trust shall thereafter be held subject to all of the protective restrictions hereof.

29. **Sewer:** The purchaser of any lot in Piñon Oaks Subdivision shall automatically upon becoming the purchaser of such lot, regardless of whether or not said purchaser has completely paid for his lot, and whether or not it shall be so expressed in such agreement or contract, be a member of the Pinon-Oaks Home Owners Association, herein referred to as "Association" and

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shall remain a member of said Association until such time as his ownership ceases for any reason. The acceptance of a deed to any of the lots in Pinon-Oaks or the mere acquisition or rental of any of the lots in Pinon-Oaks shall signify that the rules, by-laws of the Association, decisions and the resolutions and Rules and Regulations of the Association, and failure to comply with the same shall be grounds for action to recover sums due or injunctive relief. and failure to comply with the same shall be grounds for action to recover sums due or injunctive relief. The Piñon Oaks Homeowners Assoc. shall not be disbanded without the written consent of the Arizona Department of Environmental Quality and Yavapai County or their successor agencies.

29.1

At all meetings of the Association, each member shall be entitled to one vote for each lot owned in Pinon-Oaks, which voting right shall be known as the "voting owner". The majority of the voting owners shall be the act of the Association. The voting owners shall be designated by the record owner or owners by written notice to the Association. The designation of a record owner as a voting owner shall be deemed to be automatically revoked (1) upon the sale of the lot at a sheriff's sale or the execution of a deed in lieu of foreclosure or any bona fide first mortgage or deed of trust, (and the successful bidder or purchaser at such sale shall be deemed to be a record owner). (2) Upon transfer of record title to the lot. (3) Upon notice to the Association of the death of a voting member. (4) Upon a written instrument delivered to the Association by any record owner or owners. Upon the appointment of a receiver by a court of competent jurisdiction in any foreclosure or sale pursuant to a bona fide first mortgage, said receiver shall be deemed the voting owner of the respective lot for the purpose of voting as long as he is legally acting as a receiver. If no voting owner of a lot shall have been designated or if said designation has been revoked as stated herein, no vote shall be cast in behalf of such lot until the voting owner is designated as provided herein.

29.2

The Association shall (1) maintain, operate and otherwise manage the sewer lines located within the Piñon Oaks Subdivision and necessary sewer lines, pump stations or any required sewer facilities to transport the Pinon Oaks sewage to the City of Prescott sewer mains. (2) not maintain, operate or otherwise manage any private sewer lines located on private property or any lot located within the boundary of Pinon Oaks Subdivision. (3) have the right to contract for maintenance with one or more third parties for the operation of the sewer or for furnishing of any such services, provided the Association may legally do so.

29.3

Each member of the Assoc. shall pay to the Association commencing with activation of the Association, pursuant to Paragraph 29.6 herein, a sum of equal to his pro rata share of the aggregate of the following, except as herein provided.

- (a) The actual or estimated cost of all repairs replacement, maintenance and cleaning

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of the main sewer line.

- (b) The actual or estimated cost of public liability insurance or hazard insurance carried by the Association if necessary.
- (c) The actual or estimated cost of general administration services and any other overhead of the Association.
- (d) The actual or estimated amounts required to pay and discharge all other items of expense which are incident to the ownership of the main sewer line.

Each member's pro rata share thereof shall be determined by multiplying the aggregate thereof by a fraction, the numerator of which shall be one (1) and the denominator of which shall be the sum of the total number of residential lots.

29.4

Invoices for the amounts payable to the Association under paragraph 29.3 shall be submitted by the Association yearly or at such regular intervals as may be fixed by the Board of Directors. Amounts owed on account of each such invoice shall be delinquent if not paid within thirty (30) days immediately following the date such invoice is deposited in the United States mail, addressed to a member at his address as shown on the records of the Association.

Amounts owed by a member on account of the assessments provided for in this paragraph shall be secured by a continuing-lien on the members lot. If any such invoice is not paid prior to delinquency and continues unpaid, the Association shall have the right to foreclosure such lien in the manner prescribed by Arizona law for the foreclosure of a realty mortgage provided an action to foreclosure is filed by the Association within 3 years following the date on which the amount sought to be collected shall have become delinquent. A member subject to collection or lien foreclosure proceedings hereunder shall be liable for all court costs and reasonable attorney's fees incurred by the Association in connection with such delinquent assessment or foreclosure proceedings.

29.5

If any invoice referred to in paragraphs 29.3 and 29.4 should not be paid prior to delinquency, the Association to the extent permitted by law, may discontinue furnishing services to the lot owned by the applicable member.

29.6

Rocky Mountain Development Inc. will be responsible to operate and maintain the main sewer line until such time as eighty percent (80%) of the total lots in Pinon-Oaks Subdivision have been sold and the documents evidencing the sales recorded, or three (3) years from the recording of these covenants, which ever comes first. Rocky Mountain Development Inc. will convey said sewer lines to the Association. The Association shall call a meeting of members for the purpose

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of taking over the operation, maintenance, and improvements of the sewer lines. The Association shall elect by a majority of the votes cast three (3) persons to the Board of Directors of said Association, all of whom shall be lot owners in Pinon-Oaks Subdivision, and who shall immediately estimate the expenses necessary to operate, maintain, and improve as desired the sewer line, and shall include an appropriate reserve, and shall assess the members equally for the payment of said expenses and reserve and shall set up all necessary procedures for collection and disbursement of said funds and shall formally adopt the by-laws which may or may not be in existence at that time.

29.7

Adjacent property owners not a part of Pinon-Oaks Subdivision who wish to hook up to the sewer will be permitted to do so under the following conditions:

1. Rocky Mountain Development Inc will determine a buy-in fee to be paid in advance as allowed by the laws of the state of Arizona.
2. Applicant will be bound by the same restrictions and covenants as contained in paragraphs 29.0 through 29.7 of this document.
3. Sewer line has sufficient capacity to handle additional homes.
4. Buy-in fee mentioned in condition (1) is paid to Rocky Mountain Dev. Inc. as compensation for construction of sewer line.

30.0

Rocky Mountain Development reserves the right to expand the project through the comparable development of adjacent land and incorporate said expansion land within this Declaration by specific reference thereto. Any such expansion shall be subject to all the terms and conditions of these restrictions.

31.0

These covenants are to run with the land and shall be binding on the undersigned and all of its successors in title, interest or possession in all and every part of said premises for twenty-five (25) years, and thereafter said covenants shall be automatically extended for successive periods of ten (10) years, unless and until the developers or the owners of two-thirds of the lots affected hereby amend or revoke the same with the written consent of the Arizona Department of Environmental Quality and Yavapai County, or their written instrument duly acknowledged and recorded. All lot owners MUST be members of the Sewer District.

In Witness Whereof, the aforesaid owner has executed this Declaration of Restrictions this 26th day of July, 19 95 by its proper and duly authorized officers.

Yavapai-Coconino Title Agency, Inc.  
An Arizona Corporation, as Trustee  
under its Trust No. 340

BY Mark F. Cheney  
~~DEANE CHENEY, TRUSTEE OFFICER~~  
Mark F. Cheney, President

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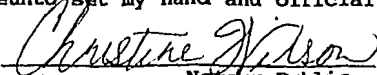
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STATE OF ARIZONA )  
                          ) ss.  
COUNTY OF YAVAPAI )

On this the 26th day of July, 1995,  
before me, the undersigned officer, personally appeared Mark F. Cheney, who acknowledges himself to be the President, of YAVAPAI-COCONINO TITLE AGENCY, INC., an Arizona corporation, and that he as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation, as Trustee, by himself as such officer.

In witness whereof I have hereunto set my hand and official seal.

My commission expires: 6-20-99

  
Christine Wilson, Notary Public




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**DECLARATION OF RESTRICTIONS**

This Declaration made and dated 15th day of June, 1995, by Yavapai-Coconino Title Agency, Inc., an Arizona corporation as trustee, being the owner of all the following described premises situated in the County of Yavapai, State of Arizona, to-wit:

Lots 1 to 41 inclusive, Pinon-Oaks Subdivision, according to the plat of record in the office of the County Recorder of Yavapai County, Arizona in Book 32 of Maps, page 2 thereof;

Whereas, said declarant is about to convey parcels of said real property shown on said Map and desires to subject the same to certain restrictions, conditions, covenants and agreements as hereinafter set forth in furtherance of a general plan for the improvement of said tract;

Now, therefore, the undersigned owner of the hereinabove described property hereby declares that said property is held and shall be conveyed subject to restrictions, conditions, covenants, charges and agreements set forth in this Declaration, to-wit;

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1. **Land Use and Building Type:** No lot shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any lot other than one detached single-family dwelling not to exceed two (2) stories in height, nor 30 feet in height, a private garage, and one guest house where permitted by Yavapai County Planning and Building Department regulations.

No business, trade, or manufacturing of any nature or description shall be carried on or transacted in any portion of said property nor shall any part of said premises be used as hospital or sanitarium or other place for the care or entertainment of persons suffering from any disease or disability whatsoever.

The use and building of any and all structures shall comply with the use, density district and general provisions of the Yavapai County Planning and Building Ordinance. Where there are conflicts the most restrictive provisions apply.

2. **Architectural Control:** No building shall be erected, placed or altered on any lot until the construction plans and specifications and a plan showing the location of the structure have been approved by the Architectural Control Committee as to quality of workmanship and materials, harmony of external design with existing structures, and as to location with respect to topography and finish grade elevation. Refer to the architectural guidelines which can be obtained at Pinon-Oaks Sales Office.

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3. **Size:** The floor area of the dwelling, exclusive of porches, garages, carport and patios, shall be not less than 1800 square feet unless otherwise approved by the committee. No prefabricated building or other structure of any nature whatsoever, permanent or temporary shall be moved or placed upon, or assembled or otherwise maintained on any lot, provided, however that a temporary office, trailer office, tool shed, lumber shed and/or sales office may be maintained upon any lot or lots by any building contractor for the purpose of erecting and selling dwellings on any lot or lots, but such temporary structures shall be removed at completion of construction or selling of dwelling, whichever is later. In some instances a conditional use permit may be required by Yavapai County.

4. **Building Location:** No building shall be located on any lot nearer than thirty (30) feet from the front and rear property line. No building shall be located closer to the side lot line than ten (10) feet. On a corner lot, the side yard setback shall be fifteen (15) feet along the side street lot line. A carport or storage room attached to the walls of the dwelling must meet the above setbacks. Detached garages and other permitted accessory buildings must meet the Yavapai County requirements. In the event an owner acquires a portion of any adjoining lot or lots, the foregoing measurements shall be made from each owner's side property lines rather than from the side lot lines indicated on said recorded map or plat. None of said lots shall be resubdivided into smaller lots. Nothing herein contained shall prevent the dedication or conveyance of portions of lots for public utilities, in which event the remaining portion of any lot shall, for the purpose of this provision, be treated as whole lot.

5. **Fences:** There shall be no fencing except for specific purposes such as screening child containment, animal control, or architectural effect. Plans showing the length, height, design, material, finishes, and colors of fences must be submitted to and approved in writing by the committee.

6. **Easements:** Easements, as indicated upon the recorded map of this subdivision, are reserved for the installation and maintenance of public service utilities and other uses for public or quasi-public good. No building shall be placed upon such easements or interference be made with the free use of the same for the purpose intended.

7. **Nuisances:** No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

8. **Temporary Structures:** No structure of a temporary character, trailer, basement, tent, shack, garage, bar or other outbuilding shall be used on any lot at any time as a residence either temporarily or permanently.

9. **Signs:** No sign of any kind shall be displayed to the public view on any lot except one sign of not more than six (6) square feet, advertising the property for sale or rent, or as approved by the Architectural Committee, or as placed by the developer during the period of development

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of this subdivision.

10. **Livestock and Poultry:** No poultry or fowl of any kind shall be raised, bred or kept on any lot, except that dogs, cats or other household pets may be kept provided that they are not kept, bred, or maintained for commercial purposes.

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22. **Obstructive Materials:** Firewood, repair materials, storage, lawn and tools and equipment, and other temporary or permanent equipment must be screened or stored completely invisible from the streets and other homes. Air conditioners and coolers must not be mounted on the roof unless completely out of sight. No visible T.V. antennas will be allowed. Ham radio towers must be of the electrically or automatically raised type when in use, and lowered from view when not in use. Ham radio towers must be approved by the committee.

23. **Dominant Tenement:** Each of the lots in said tract shall constitute the dominant tenement and be entitled to the benefit of the covenants herein contained as against all of the other lots in said tract which shall constitute the servient tenements.

24. **Terms:** These covenants are to run with the land and shall be binding on the undersigned and all of its successors in title, interest or possession in all the every part of said premises for 25 years, and thereafter said covenants shall be automatically extended for successive periods of ten (10) years, unless and until the developers or the owners of a majority of the lots affected hereby amend or revoke the same by written instrument, duly acknowledged, and recorded.

25. **Deeds:** Deed of Conveyance of all or any of said lots shall incorporate by reference all of the provisions contained in this document. "However, whether or not recited in the deeds of conveyance, these restrictions, shall be binding on every owner of every lot in the subdivision."

26. **Enforcement:** If the owner or possessor of any lot subject to these restrictions shall violate, or attempt to violate, any of the covenants herein, it shall be lawful for any other person or persons owning any real property situated in said tract to prosecute any proceeding at law or in equity against the person or persons violating or attempting to violate any such covenants and either to prevent him or them from so doing or to recover damages for such violation, or both.

27. **Subordination:** Nothing contained in this declaration shall be held to invalidate the lien of any mortgage or deed of trust prior to foreclosure, provided, however, that any purchaser at any mortgage foreclosure sale or sale under deed of trust shall hold title subject to all the provisions hereof.

28. **Severability:** Invalidation of any one of these covenants by judgement or court order shall in no wise affect any of the other provisions, which shall remain in full force and effect. Nothing contained in this declaration shall impair or defeat the lien of any mortgage or deed of trust made in good faith and for value, but titles to any property subject to this declaration obtained through sale in satisfaction of any such mortgage or deed of trust shall thereafter be held subject to all of the protective restrictions hereof.

29. **Sewer:** The purchaser of any lot in Piñon Oaks Subdivision shall automatically upon becoming the purchaser of such lot, regardless of whether or not said purchaser has completely paid for his lot, and whether or not it shall be so expressed in such agreement or contract, be a member of the Pinon-Oaks Home Owners Association, herein referred to as "Association" and

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shall remain a member of said Association until such time as his ownership ceases for any reason. The acceptance of a deed to any of the lots in Pinon-Oaks or the mere acquisition or rental of any of the lots in Pinon-Oaks shall signify that the rules, by-laws of the Association, decisions and the resolutions and Rules and Regulations of the Association, and failure to comply with the same shall be grounds for action to recover sums due or injunctive relief. and failure to comply with the same shall be grounds for action to recover sums due or injunctive relief. The Piñon Oaks Homeowners Assoc. shall not be disbanded without the written consent of the Arizona Department of Environmental Quality and Yavapai County or their successor agencies.

29.1

At all meetings of the Association, each member shall be entitled to one vote for each lot owned in Pinon-Oaks, which voting right shall be known as the "voting owner". The majority of the voting owners shall be the act of the Association. The voting owners shall be designated by the record owner or owners by written notice to the Association. The designation of a record owner as a voting owner shall be deemed to be automatically revoked (1) upon the sale of the lot at a sheriff's sale or the execution of a deed in lieu of foreclosure or any bona fide first mortgage or deed of trust, (and the successful bidder or purchaser at such sale shall be deemed to be a record owner). (2) Upon transfer of record title to the lot. (3) Upon notice to the Association of the death of a voting member. (4) Upon a written instrument delivered to the Association by any record owner or owners. Upon the appointment of a receiver by a court of competent jurisdiction in any foreclosure or sale pursuant to a bona fide first mortgage, said receiver shall be deemed the voting owner of the respective lot for the purpose of voting as long as he is legally acting as a receiver. If no voting owner of a lot shall have been designated or if said designation has been revoked as stated herein, no vote shall be cast in behalf of such lot until the voting owner is designated as provided herein.

29.2

The Association shall (1) maintain, operate and otherwise manage the sewer lines located within the Piñon Oaks Subdivision and necessary sewer lines, pump stations or any required sewer facilities to transport the Pinon Oaks sewage to the City of Prescott sewer mains. (2) not maintain, operate or otherwise manage any private sewer lines located on private property or any lot located within the boundary of Pinon Oaks Subdivision. (3) have the right to contract for maintenance with one or more third parties for the operation of the sewer or for furnishing of any such services, provided the Association may legally do so.

29.3

Each member of the Assoc. shall pay to the Association commencing with activation of the Association, pursuant to Paragraph 29.6 herein, a sum of equal to his pro rata share of the aggregate of the following, except as herein provided.

- (a) The actual or estimated cost of all repairs replacement, maintenance and cleaning

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of the main sewer line.

- (b) The actual or estimated cost of public liability insurance or hazard insurance carried by the Association if necessary.
- (c) The actual or estimated cost of general administration services and any other overhead of the Association.
- (d) The actual or estimated amounts required to pay and discharge all other items of expense which are incident to the ownership of the main sewer line.

Each member's pro rata share thereof shall be determined by multiplying the aggregate thereof by a fraction, the numerator of which shall be one (1) and the denominator of which shall be the sum of the total number of residential lots.

29.4

Invoices for the amounts payable to the Association under paragraph 29.3 shall be submitted by the Association yearly or at such regular intervals as may be fixed by the Board of Directors. Amounts owed on account of each such invoice shall be delinquent if not paid within thirty (30) days immediately following the date such invoice is deposited in the United States mail, addressed to a member at his address as shown on the records of the Association.

Amounts owed by a member on account of the assessments provided for in this paragraph shall be secured by a continuing-lien on the members lot. If any such invoice is not paid prior to delinquency and continues unpaid, the Association shall have the right to foreclosure such lien in the manner prescribed by Arizona law for the foreclosure of a realty mortgage provided an action to foreclosure is filed by the Association within 3 years following the date on which the amount sought to be collected shall have become delinquent. A member subject to collection or lien foreclosure proceedings hereunder shall be liable for all court costs and reasonable attorney's fees incurred by the Association in connection with such delinquent assessment or foreclosure proceedings.

29.5

If any invoice referred to in paragraphs 29.3 and 29.4 should not be paid prior to delinquency, the Association to the extent permitted by law, may discontinue furnishing services to the lot owned by the applicable member.

29.6

Rocky Mountain Development Inc. will be responsible to operate and maintain the main sewer line until such time as eighty percent (80%) of the total lots in Pinon-Oaks Subdivision have been sold and the documents evidencing the sales recorded, or three (3) years from the recording of these covenants, which ever comes first. Rocky Mountain Development Inc. will convey said sewer lines to the Association. The Association shall call a meeting of members for the purpose

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of taking over the operation, maintenance, and improvements of the sewer lines. The Association shall elect by a majority of the votes cast three (3) persons to the Board of Directors of said Association, all of whom shall be lot owners in Pinon-Oaks Subdivision, and who shall immediately estimate the expenses necessary to operate, maintain, and improve as desired the sewer line, and shall include an appropriate reserve, and shall assess the members equally for the payment of said expenses and reserve and shall set up all necessary procedures for collection and disbursement of said funds and shall formally adopt the by-laws which may or may not be in existence at that time.

29.7

Adjacent property owners not a part of Pinon-Oaks Subdivision who wish to hook up to the sewer will be permitted to do so under the following conditions:

1. Rocky Mountain Development Inc will determine a buy-in fee to be paid in advance as allowed by the laws of the state of Arizona.
2. Applicant will be bound by the same restrictions and covenants as contained in paragraphs 29.0 through 29.7 of this document.
3. Sewer line has sufficient capacity to handle additional homes.
4. Buy-in fee mentioned in condition (1) is paid to Rocky Mountain Dev. Inc. as compensation for construction of sewer line.

30.0

Rocky Mountain Development reserves the right to expand the project through the comparable development of adjacent land and incorporate said expansion land within this Declaration by specific reference thereto. Any such expansion shall be subject to all the terms and conditions of these restrictions.

31.0

These covenants are to run with the land and shall be binding on the undersigned and all of its successors in title, interest or possession in all and every part of said premises for twenty-five (25) years, and thereafter said covenants shall be automatically extended for successive periods of ten (10) years, unless and until the developers or the owners of two-thirds of the lots affected hereby amend or revoke the same with the written consent of the Arizona Department of Environmental Quality and Yavapai County, or their written instrument duly acknowledged and recorded. All lot owners MUST be members of the Sewer District.

In Witness Whereof, the aforesaid owner has executed this Declaration of Restrictions this 26th day of July, 19 95 by its proper and duly authorized officers.

Yavapai-Coconino Title Agency, Inc.  
An Arizona Corporation, as Trustee  
under its Trust No. 340

BY Mark F. Cheney  
Mark F. Cheney, President

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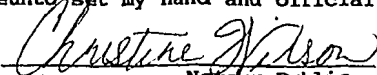
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STATE OF ARIZONA )  
                          ) ss.  
COUNTY OF YAVAPAI )

On this the 26th day of July, 1995,  
before me, the undersigned officer, personally appeared Mark F. Cheney, who acknowledges himself to be the President, of YAVAPAI-COCONINO TITLE AGENCY, INC., an Arizona corporation, and that he as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation, as Trustee, by himself as such officer.

In witness whereof I have hereunto set my hand and official seal.

My commission expires: 6-20-99

  
Christine Wilson, Notary Public



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