

When recorded, mail to:

DESIGN 201, INC. *City Folder*
P.O. Box 11237
Prescott AZ 86304

DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
OF
SHADOW VALLEY ESTATES

THIS DECLARATION, made this 30 day of September, 1992 by
DESIGN 201, INC., an Arizona Corporation, hereinafter referred to
as "Declarant."

WITNESSETH:


WHEREAS, Declarant is the owner of certain property located
within the County of Yavapai, State of Arizona, which is more
particularly described as:

Lots 1 through 23, of Shadow Valley Estates, recorded in
Book 29, pages 62 and of Maps in the office
of the County Recorder of said County.

WHEREAS, Declarant will convey the said properties, subject to
certain protective covenants, conditions, restrictions,
easements, and reservations, as hereinafter set forth:

NOW THEREFORE, Declarant hereby declares that all of the
properties described above shall be held, sold and conveyed
subject to the following easements, restrictions, covenants, and
conditions, which are for the purposes of protecting and
enhancing the value, desirability and attractiveness of the real
property and all of which are hereby declared to be for the
benefit of all of the successors, grantees, and assigns. These
easements, covenants, conditions, and restrictions shall run with
the real property and shall be binding on all parties having or
acquiring any of the right, title, or interest on the described
properties or any part thereof.

LN	21
MAP	25
PCL	25
	21
5	8


 INSTRUMENT # 9237837
 OFFICIAL RECORDS OF
 YAVAPAI COUNTY
 PATSY C. JENNEY
 REQUEST OF:
 CITY OF PRESCOTT
 DATE: 09/03/92 TIME: 15:20
 FEE: 14.00 SC: 4.00 PT:
 BOOK 2528 PAGE 360 PAGES: 014

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SECTION A "Properties" or "Promise" shall mean and refer to that certain real property herein before described.

SECTION B "Lot", "Unit" or "parcel" shall be synonymous and shall mean and refer to separately designated and legally described freehold estate consisting of any plot of land and the improvements thereon shown upon any recorded subdivision map of the properties.

SECTION C "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of equitable title (or legal title if equitable title has merged) of any lot which is part of the properties.

SECTION D "Declarant" shall mean and refer to, an Arizona corporation, its successors and assigns, if such successors or assigns should acquire more than one (1) undeveloped lot from the Declarant for the purpose of development.

SECTION E "Committee" shall mean and refer to the Architectural Control Committee as established in Article III hereof.

ARTICLE II

BUILDING AND IMPROVEMENT STANDARDS

SECTION A Single Family Residence:
Subject to Article III all of the lots shall be single family residential lots.

SECTION B Approval of Committee:
No building fence, patio, deck or structure of any kind shall be erected, added to, have its exterior altered, be painted or repainted, or placed or permitted to remain on any lot, except in accordance with the plans and specifications which have been previously delivered to and approved, in writing, by the Committee.

SECTION C Plans and Specifications:
The plans and specifications shall show the design, structural details, materials, finishes, exterior colors, site location, grades and dwelling elevations and shall include a site plan of the building site proposed to be improved. A copy of the plans and specifications as finally approved shall be retained in the records of the Committee.

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SECTION D Authority of the Committee:

The Committee shall have the authority to refuse to approve any such plans or specifications or site plans, which are not compatible with the natural environment of SHADOW VALLEY ESTATES or are not suitable or desirable, in its opinion, for aesthetic reasons, and in so passing upon such plans, specifications and grading plans, it shall have the right to take into consideration the architectural design of the proposed dwelling or other structure, the materials of which it is to be built, the site upon which it is proposed to erect the same, the harmony thereof with the surroundings and the effect of the dwelling, building or other structure as planned on the outlook from adjacent or neighboring property.

SECTION E Site Plans

Site shall be shown:

- (i) Locations of all trees over three inches in trunk diameter one foot from the ground.
- (ii) Trees to be removed to permit construction.
- (iii) Location of all easements.
- (iv) Dimensions and bearings of the boundaries of the unit.
- (v) Existing grades and grade changes.
- (vi) Structure location.
- (vii) Front, side and rear set-backs.
- (viii) Driveways and parking areas.

SECTION F No excavation or removal.

There shall be no excavation or removal of natural vegetation until the site plan has been approved by the committee.

SECTION G Contractors and Time of Completion.

Each structure shall be constructed by a contractor licensed by the State of Arizona for the work. Construction must be pursued diligently and all buildings shall be substantially completed and present a finished exterior appearance within five months after commencement of construction.

SECTION H Landscaping

A landscaping plan for each improved unit shall be prepared in accordance with the Committee's regulations or guidelines and submitted to the Committee for approval prior to occupancy of a dwelling. Landscaping must be substantially completed in accordance with the approved plan within nine months from commencement of construction of a dwelling, and in any event, prior to the unit being offered for sale.

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SECTION I Front Wall, Fence, Hedges

No solid wall, fence or hedge over three (3) feet in height shall be maintained or erected nearer to the front street line of any said residential lots than the front walls of the main building erected on such lot; and, in case of a lot on which no residence has been erected, no solid wall, fence or hedge over three (3) feet high shall be constructed or maintained closer than thirty (30) feet to the front line of such lot.

SECTION J Area

Exclusive of enclosed or open porches, garages and any area in the basement or within the foundation:

- (i) Each single level dwelling shall have a minimum of 1700 square feet of living space.
- (ii) Each two-story dwelling shall have a minimum of 1200 square feet of living area on the main level.
- (iii) Each one and a half story dwelling shall have a minimum of 1200 square feet of living area on the first floor and a total living area of not less than 1700 square feet.
- (iv) Each split or multi-level dwelling shall have a minimum of 1700 square feet of living area.

SECTION K Height

The height limitation of building shall be two stories but not to exceed 30 feet at any point on the side of a building facing a dedicated street or a private roadway platted on a subdivision phase of the Development, but a building may have an additional story on a downhill side not facing such roadway or street with approval of the Committee.

SECTION L Garage and Parking

Each dwelling must provide an attached 2-stall garage which may be detached upon approval of the Committee. In addition to garage parking, every improved lot must be provided with paved-off street parking spaces for at least two additional vehicles.

SECTION M Pavement

Driveways, turnarounds and off-street parking areas shall be paved with concrete or asphalt or other permanent material approved by the Committee.

SECTION N Additional Permitted Structure

No building other than the committee approved main dwelling house and garage shall be erected or moved onto any residential lot. This section does not preclude temporary uses of a part of the lot for:

- (i) Children's tents or other recreational devices, or
- (ii) Temporary structures, vehicles or equipment required by the building contractor for construction purposes.

SECTION O Mailboxes

Mailboxes shall be of a type and color approved by the Committee to blend with the neutral environment and shall be installed at curbside in accordance with United States Postal Service regulations.

SECTION P Roof Installations

Air-conditioners, heat pumps, evaporative coolers, antennas, or similar devices shall not be placed on or above the roof of any dwelling and all such devices must be concealed from view according to the plans approved by the Committee.

SECTION Q Fire Units

All fireplaces, chimneys, stove outlets, outside grills and other spark producing sources must be provided with spark-arresting devices.

SECTION R Sanitary Facilities During Construction

Each building shall provide a "Port-A-Jon", a chemical toilet or other suitable sanitary facility at each building site.

**ARTICLE III
General Land Regulations**

SECTION A Residential Use

An Owner shall not occupy or use his unit nor permit the same or any part thereof to be occupied or used for any purpose other than for the personal use for dwelling purposes by the Owner, his family or guests.

SECTION B Easements

Easements on lots for utilities, drainage or other purposes shall not be obstructed in a manner which interferes with such purpose, but the area of each lot embraced by such easements shall be maintained by the Owner of the lot.

SECTION C Limitation on Habitation

No structure of a temporary character, motor home, mobile home, trailer, camper, tent, shack or garage shall be used on any lot at any time for human habitation.

SECTION D Noxious Activity

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

SECTION E Laundry Area

Exterior laundry area shall not be permitted on any lot in Shadow Valley Estates.

SECTION F Signs

No signs or other advertising device of any nature shall be displayed on the property or on any vehicle parked on any lot or roadway without the approval of the Committee. They may approve the placement of one "For Sale" or "For Rent" sign on the lot offered for sale or for rent and placement of directional "Open House" signs. Such signs shall be removed within seven days of the execution of a purchase or rental agreement.

SECTION G Antenna, Towers, Etc.

There shall be no exterior television antenna, radio antenna, flagpole, mast or tower upon the property without written approval of the Committee. The Committee may approve the temporary installation of a television antenna on a lot during the time Cable TV facilities are not available at the lot.

SECTION H Garbage

Trash, garbage or other waste shall be kept in sanitary containers placed below ground level or stored within the dwelling or garage or within a screened area approved by the Committee. The sanitary containers may be placed on the lot at curbside on regular collection days for a period not to exceed twelve hours prior to the scheduled collection, but shall be removed prior to daylight on the day after collection. All equipment for the storage or collection of such material shall be kept in a clean and sanitary condition.

SECTION I Storage of Personal Property

Tools, machinery, household effects, toys, containers, boxes, materials, or other items that degrade the appearance of the yards shall be so stored as to be concealed from public view.

SECTION J Fencing

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, materials, finishes, and colors of fences must be submitted to and approved, in writing, by the Committee.

SECTION K Animals

No animals, reptiles, livestock or poultry of any kind shall be raised, bred, or kept except that dogs, cats or other household pets may be kept on the Owner's lot subject to rules and regulations adopted by the Board.

SECTION L Preservation of Natural Environment

The native trees and shrubs are one of SHADOW VALLEY ESTATES' major attractions, thus everything possible must be done to preserve the natural environment of the Property. The Committee may, at the Owner's expense:

- (i) Require replacement or substitute landscape for trees or shrubs cut or removed without prior approval.

SECTION M Limitation of vehicles

Motorcycles, mopeds, mini-bikes, trail bikes and other motor vehicles shall not be operated on the property except within the traveled area of the private roads. All such vehicles shall be equipped with a muffler in good working order and in constant use to prevent excessive or unusual noise. No repair or maintenance work shall be performed on any motor vehicles or other piece of equipment, except wholly inside a garage. Disabled vehicles and equipment shall be stored in a garage or removed from the property. Each Owner shall provide adequate paved off-street parking space to accommodate the intended use of the Owner's lot and shall not park or permit others to park on unpaved portions of the lot. Except for permitted construction purposes or limited temporary parking for loading or unloading, no vehicle in excess of 6,500 pounds gross weight, no commercial vehicle, industrial equipment, recreational vehicle, boat, boat trailer, utility trailer, mounted or unmounted camper, motor home, travel trailer, etc. may be parked on Owner's lot or paved, or unpaved parking areas, except when these vehicles are contained in a fully enclosed garage.

SECTION N Oil Drilling

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 on 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.

SECTION O Lot Division

No lot may be divided into smaller parcels apart from the original conveyance by deed from the Declarant.

SECTION P Sheds, Pens, Playhouses

Storage sheds, animal pens or playhouses are not permitted in the front or side yards of any lot, nor on any lot facing the common areas. These items are permitted in the rear yards if prior written approval of the Architectural Control Committee has been acquired.

SECTION Q Motor home, Boat, Truck Parking

No motor vehicle classified by manufacturer's rating exceeding one (1) ton shall be parked on any street or lot in SHADOW VALLEY ESTATES. No mobile home, motor home, travel trailer, tent trailer, trailer, detached camper, boat or boat trailer shall be parked on any street, driveway, carport, front or side yards. Such vehicles or equipment when parked in a rear yard may not exceed the height of the fence, and may not be visible from the sidewalks, street, common area, or any other lot in SHADOW VALLEY ESTATES. Any vehicles which exceed the height of the fence shall be completely enclosed in a structure that has been approved by the Architectural Control Committee.

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SECTION R Outside Lighting

Spot lights, floodlights and other similar lighting may not be placed and utilized upon any lot in any way which would disturb or interfere with enjoyment or privacy of any adjoining lot or common area.

SECTION S Improvements and Alterations

No building, fence, wall, patio, pool, residence or other structure that is visible from the streets, sidewalks, or common areas shall be commenced, erected, maintained, improved, altered, made or done without the prior written approval of the Architectural Control Committee.

SECTION T Developer Facilities

Notwithstanding, any provision herein contained to the contrary, it shall be expressly permissible for the developer of a major portion of said lots to maintain during the period of development and sale of said lots, upon such lot or lots as such developer may choose such facilities as in the sole opinion of said developer may be reasonable required, convenient or incidental to the development and sale of said lots, including, but not without limitation, a business office, storage area, construction yards, model homes, and sales office.

ARTICLE IV

Architectural Control and Review

SECTION A Architectural Control Committee Purpose

Declarant hereby establishes an Architectural Control Committee for the purpose of reviewing and approving or rejecting the plans, specifications, drawings, and submittal of each and every kind as hereinafter set forth:

SECTION B Concerns of committee

No building, fence, wall, landscaping sign, exterior light or other structure or apparatus, either permanent or temporary, shall be commenced, erected, placed or maintained upon the property, nor shall any exterior additions thereto, change therein or alteration, excavation, subdivision or resubdivision thereof, including without limitation changes in or alterations of grade, landscaping, roadways and walkways, be made until the plans and specifications showing the nature, kind, shape, height, materials, color, location and other material attributes of the same shall have been submitted to and approved in writing as to harmony or external design and location in relation to the surrounding structure and topography by the Architectural Control Committee.

SECTION C Site Approval

No building shall be erected, placed, or altered on any lot without the written approval of the Architectural Control Committee as to the site of the building on the lot.

SECTION D Design & Elevation Approval

No Building shall be erected, placed, or altered on any lot until the design and elevation of the building shall be approved by the Architectural Control Committee.

SECTION E Landscape Approval

All landscaping of common areas and perimeter lots shall be submitted to the Architectural Control Committee for written approval prior to the commencement of said landscaping.

SECTION F Recreational Facility Approval

No recreational facilities, swimming pools, tennis courts and playgrounds, and similar recreational facilities shall be constructed by any builder until the plans and specifications, and the plans showing the location of the structure and the landscaping thereof shall have been approved by the Architectural Control Committee as to the quality of workmanship and materials, site location, harmony of external design with existing structures and the overall design and aesthetic quality of the proposed facility.

SECTION G Committee Composition

The Architectural Control Committee shall initially consist of Richard Peel, Ray Garris, and James Hamel. Any two (2) members of the committee can, by majority vote, designate a representative to act for and on behalf of the Committee. In the event of death or resignation of any member of said Committee or the creation of a vacancy on the Committee for any other reason, the remaining members shall have the right and power 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. At any time the then record owners of a majority of the lots shall have the power through a duly recorded written instrument to change the membership of the Committee or to withdraw from the Committee or restore to it any of its powers and duties.

SECTION H Time Frame for Committee Action

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 specification have been submitted to it, or in any event, if no suit to enjoin the construction has been commenced prior to the completion thereof, approval will not be required and the related covenants shall be deemed to have been fully complied with.

SECTION I Enforcement of Provisions

For purposes of this Article, the Architectural Control Committee, as the agent or representative of the declarant, shall have the exclusive right to enforce the provisions hereof. However, if the Committee shall fail or refuse to enforce any provision of this Article for an unreasonable period of time, after written request to do so, then any person or persons owning a real property interest in any lot located in the premises may enforce the provisions of this Article by any appropriate action, whether in law or in equity. No violation of this Article shall affect the lien of any mortgage now of record which may hereafter be placed of record upon said lots or any one or any part thereof.

SECTION J Committee Approval Procedure

The Architectural Control Committee shall establish a procedure for the preparation, subdivision, and determination of applications for any improvements or alterations which come within its jurisdiction as previously enumerated. The Committee will require the submission of two (2) complete sets of plans and specifications, including a plot plan which will indicate the location of buildings, fences, landscaping and any other structure to be installed, as well as the materials to be used. The Architectural Control Committee shall have the right to refuse to approve any plans, specifications or grading plans which, in its opinion, are not suitable or desirable for aesthetic or structural reasons. In passing upon such plans, specifications or grading plans and without any limitation of the foregoing, the Committee shall have the right to take into consideration the suitability of the proposed building or other structure or landscaping; the materials of which it is to be built, or consist, the site upon which it is proposed to erect or install the same; the harmony with the surroundings thereof; and the affect of the building or other adjacent or neighboring property. All subsequent additions, changes or alterations in any building, fence, wall or other structure, and landscaping, shall be subject to the prior approval of the Committee.

SECTION K Exterior Color Scheme

The plans and specifications should also include the detail of the exterior color scheme, including all exterior surfaces. All exterior surfaces must be generally compatible with the other buildings and structures in the neighborhood. Submission of plans and specifications concerning exterior color scheme must also be submitted for any future repainting or redecorating of any exterior surface.

ARTICLE V

Zoning

SECTION A Type of zoning

All dwellings and structures of any kind constructed on the properties shall be constructed in accordance with the applicable zoning ordinances of the City of Prescott, designated as RA-35 including but not limited to:

SECTION B Set Backs & Fronts

No building shall be erected on any of said residential lots in SHADOW VALLEY ESTATES shall be closer than thirty (30) feet to the front property line, except that an awning, open porch, or open balcony may project into the front yard not more than five (5) feet.

SECTION C Set Backs Side and Rear

The eave of any building erected on any corner lot in SHADOW VALLEY ESTATES shall not be closer than twenty (20) feet to the property line on the side of said corner lot which is adjacent to a public street or sidewalk, nor closer than ten (10) feet to the property line on the interior side of the lot. There shall be a rear yard having a depth of not less than thirty (30) feet.

SECTION D Lot Area

There shall be a lot area of not less than 35000 square feet except where those lots have a road dedication or easement.

SECTION E Coverage On Lot

The main building and all accessory buildings on lot shall not occupy more than thirty percent (30%) of the total area of lot.

SECTION F Zoning Compliance

The zoning ordinances of the municipality in which the properties are located shall be fully complied with. In case of any variation or inconsistency between this article and said zoning ordinances, the zoning ordinances shall be given priority.

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ARTICLE VI

MISCELLANEOUS

SECTION A Deed Reference

Deeds of conveyance for said property or any portion thereof may contain the above conditions, covenants and restrictions by reference to this document, but whether or not such reference is made in such deeds, each and all of these covenants, conditions and restrictions shall be binding upon the respective guarantees.

SECTION B Term of Covenants Conditions and Restrictions

The foregoing restrictions and covenants run with the land and shall be binding upon all parties and all persons claiming any interest under them for a period of thirty-five (35) years, at which time said covenants and restrictions shall automatically be extended for successive periods of ten (10) years each, unless otherwise amended or revoked by vote of the then owners of a majority of the lots located within the premises.

SECTION C Covenants Conditions and Restrictions VIOLATIONS

If there shall be a violation of threatened or attempted violation of any of these covenants, conditions and restrictions, other than those covered in Article IV, it shall be lawful for any person or persons owning a real property interest in any lot located within the premises to prosecute proceedings at law or in equity against any or all persons violating or attempting to violate or threatening to violate any such covenants, conditions or restrictions and, if such suit is successful, such violator or violators shall reimburse said person or persons initiating said action for attorney's fees and expenses incurred in prosecuting such proceedings. No violation of these covenants, conditions, or restrictions or any one or more of them shall affect the lien of any mortgage now of record or which may hereafter be placed of record upon said lots or any one or any part thereof. The enforcement of these covenants, conditions and restrictions set forth in Article III shall be in accordance with the provisions of said Article.

SECTION D Invalidation

Invalidation of any one or more of these covenants, conditions and restrictions shall in no way whatsoever affect the validity of the other provisions which shall remain in full force and effect.

SECTION E Tenses and Descriptions

The singular, whenever used herein, shall be construed to mean the plural, when applicable, and the necessary grammatical changes required to make the provisions hereof apply, either to corporation or individuals, and men or women shall in all cases be assumed as though in each case fully expressed.

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ARTICLE VII
STREET LIGHTING

SECTION A STREET LIGHTS

Street lights and supporting structures are required for each lot in Shadow Valley Estates. The lights and supporting structures are to be the make, model, and color specified by the Committee, (or equivalent) and shall be installed by the lot owner at the time of construction of each residential dwelling.


SECTION B MAINTENANCE AND OPERATION OF STREET LIGHTS

Each lot owner shall maintain his street lights and supporting structures erected on his lot in good working order and repair. Each street light shall be illuminated at the lot owner's expense from dusk to dawn of each day.

IN WITNESS WHEREOF, DESIGN 201, INC., an Arizona Corporation, has hereunto caused it's corporate seal to be affixed and the name to be attested by the signature of it's duly authorized officer this 3rd day of September, 1992.

DESIGN 201, INC., an
Arizona Corporation

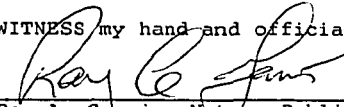
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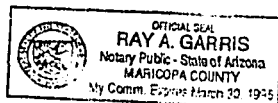

Richard A. Peel, President
DESIGN 201, INC.

STATE OF ARIZONA }
 } ss.
County of Maricopa }

On this 3rd day of September, 1992, before me, the undersigned Notary Public, personally appeared Richard A. Peel, who acknowledged himself to be President of Design 201, Inc. an Arizona Corporation, and that he, as such officer, being authorized to do so, execute the within instrument for the purposes therein contained by signing the name of said corporation, as Trustee, by himself as such officer.

WITNESS my hand and official seal.


Ray A. Garris, Notary Public



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