PARK PLACE CONDOMINIUM
AMENDED AMENDED FINAL PLAT

60/50

AS RECORDED IN BOOK 58 OF MAPS AND PLATS, PAGES 93-113
AS PREVIOUSLY RECORDED IN BOOK 55 OF MAPS AND PLATS, PAGES 14-33

APN 408-11-140Z
APPLICATION # SUB2002-8

A PORTION OF SECTION 15,
TOWNSHIP 17 NORTH, RANGE 5 EAST,
GILA AND SALT RIVER, BASE AND MERIDIAN,
YAVAPAI COUNTY, ARIZONA
CONTAINING 9.73 ACRES MORE OR LESS

SCALE: 1" = 100'

DECLARATION AND DEDICATION

STATE OF ARIZONA } SS
COUNTY OF YAVAPAI }

KNOW ALL MEN BY THESE PRESENTS:
1. THAT PARK PLACE SEDONA, LLC, AN ARIZONA LIMITED LIABILITY COMPANY ("OWNER"), AS OWNER OF THE REAL PROPERTY DESCRIBED AND DEPICTED HEREON, HEREBY PUBLISHES UNDER THE NAME "PARK PLACE CONDOMINIUM" A PORTION OF SECTION 15, TOWNSHIP 17 NORTH, RANGE 5 EAST, GILA AND SALT RIVER BASE AND MERIDIAN, YAVAPAI COUNTY, ARIZONA. OWNER HEREBY DECLARES THAT THE PLAT SETS FORTH THE LOCATION AND GIVES THE DIMENSIONS OF THE UNITS AND EASEMENTS, AND THAT SUCH UNITS AND EASEMENTS SHALL BE KNOWN BY THE NUMBER, LETTER OR NAME GIVEN HEREON.

2. THE OWNER OF PARK PLACE CONDOMINIUM HEREBY RESERVES AND DEDICATES OVER AND ACROSS ALL THOSE AREAS LISTED AS COMMON ELEMENT AS SHOWN HEREON, AND GRANTS TO THE OWNERS OF THE INDIVIDUAL UNITS, THE APPLICABLE PUBLIC AND PRIVATE UTILITY COMPANIES, AND EMERGENCY SERVICE PROVIDERS, A BLANKET EASEMENT FOR INGRESS AND EGRESS; FOR INSTALLATION, OPERATION AND MAINTENANCE TO PUBLIC AND PRIVATE UTILITY LINES AND FACILITIES, INCLUDING WITHOUT LIMITATION, WATER, SEWER, ELECTRIC, NATURAL GAS, TELEPHONE AND CABLE TELEVISION, OR OTHER COMMUNICATION LINES AND SYSTEMS.

IN WITNESS WHEREOF, OWNER HAS CAUSED THIS PLAT TO BE DULY EXECUTED
AS OF THE 10TH DAY OF APRIL, 2007

PARK PLACE SEDONA, LLC, AN ARIZONA LIMITED LIABILITY COMPANY

BY: _____
BENJAMIN H. MILLER, VICE PRESIDENT, PARK PLACE SEDONA, LLC

ACKNOWLEDGEMENT

STATE OF ARIZONA } SS
COUNTY OF YAVAPAI }

SUBSCRIBED AND SWORN TO BEFORE ME THIS 10TH DAY OF APRIL 2007 BY BENJAMIN H. MILLER VICE PRESIDENT OF PARK PLACE SEDONA, LLC, AN ARIZONA LIMITED LIABILITY COMPANY, ON BEHALF OF THE COMPANY

MY COMMISSION EXPIRES: 06/10/2007

_____ NOTARY PUBLIC

OFFICIAL SEAL
Patricia A. Johnson
Notary Public-Arizona
Yavapai County
My Commission Expires 6/10/2007

CERTIFICATE OF LAND SURVEYOR

THIS IS TO CERTIFY THAT THE PROPERTY DESCRIBED AND PLATTED HEREON WAS MADE UNDER MY DIRECTION AND SUPERVISION AND IS ACCURATELY REPRESENTED ON THIS PLAT.
I ALSO CERTIFY THAT THE PLAT IS IN SUBSTANTIAL CONFORMANCE TO THE APPROVED PRELIMINARY PLAT AND THAT THIS PLAT IS CORRECT AND ACCURATE AS SHOWN TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR _____
EARL G. WATTS, RLS 27253

DATE 04/10/2007

EARL G. WATTS 27253 REGISTERED LAND SURVEYOR ARIZONA, U.S.A.

CERTIFICATE OF APPROVALS

COMMUNITY DEVELOPMENT DEPARTMENT
_____ 6-7-07
DIRECTOR OF COMMUNITY DEVELOPMENT – JOHN O'BRIEN — DATE

PUBLIC WORKS DEPARTMENT
_____ 6-7-07
CITY ENGINEER – CHARLES P. MOSELY — DATE

SEDONA FIRE DISTRICT
_____ 6-7-07
FIRE MARSHAL – WILLIAM LOESCHE — DATE

CITY COUNCIL
_____ 6-7-07
MAYOR – PUD COCKETT — DATE

_____ 6-7-07
CITY CLERK – DORRISON, SEDONA (HERRY C. LAWSON) — DATE

SHEET INDEX

1	COVER
2	NOTES
3	SITE PLAN (SOUTHWEST)
4	SITE PLAN (NORTHWEST)
5	DETAIL VIEW BUILDING 100
6	DETAIL VIEW BUILDING 101
7	DETAIL VIEW BUILDING 102
8	DETAIL VIEW BUILDING 103-A
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10	DETAIL VIEW BUILDING 104
11	DETAIL VIEW BUILDING 105-A
12	DETAIL VIEW BUILDING 105-B
13	DETAIL VIEW BUILDING 106
14	DETAIL VIEW BUILDING 107
15	DETAIL VIEW BUILDING 108
16	DETAIL VIEW BUILDING 109
17	DETAIL VIEW BUILDING 110
18	DETAIL VIEW BUILDING 111-A & 111-B
19	BUILDING SECTIONS
20	BUILDING SECTIONS
21	BUILDING SECTIONS

BASIS OF BEARING AND ELEVATIONS PER (R1)

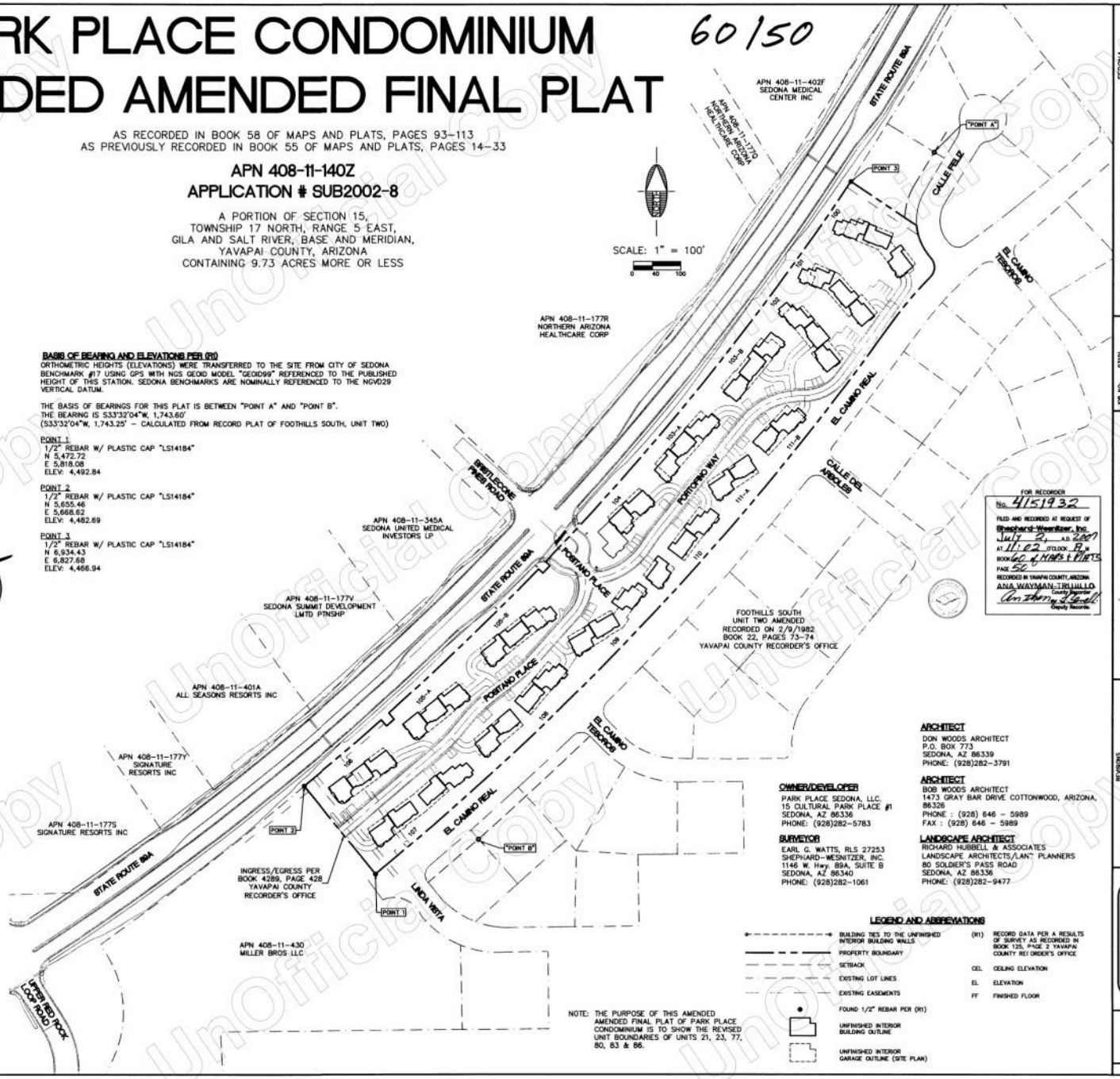
ORTHOMETRIC HEIGHTS (ELEVATIONS) WERE TRANSFERRED TO THE SITE FROM CITY OF SEDONA BENCHMARK #17 USING GPS WITH NGS GEOID MODEL "GEOID99" REFERENCED TO THE PUBLISHED HEIGHT OF THIS STATION. SEDONA BENCHMARKS ARE NOMINALLY REFERENCED TO THE NGVD29 VERTICAL DATUM.

THE BASIS OF BEARINGS FOR THIS PLAT IS BETWEEN "POINT A" AND "POINT B".
THE BEARING IS S33°32'04"W, 1,743.60'
(S33°32'04"W, 1,743.25' – CALCULATED FROM RECORD PLAT OF FOOTHILLS SOUTH, UNIT TWO)

POINT 1
1/2" REBAR W/ PLASTIC CAP "LS14184"
N 5,472.72
E 5,818.08
ELEV: 4,492.84

POINT 2
1/2" REBAR W/ PLASTIC CAP "LS14184"
N 5,655.46
E 5,668.62
ELEV: 4,482.69

POINT 3
1/2" REBAR W/ PLASTIC CAP "LS14184"
N 6,934.43
E 6,827.68
ELEV: 4,466.94



FOR RECORDER
No. 4151932
FILED AND RECORDED AT REQUEST OF
Shepherd-Wesnitzer, Inc.
July 2, A.D. 2007
AT 11:02 O'CLOCK P.M.
BOOK 60 OF MAPS & PLATS
PAGE 50
RECORDED IN YAVAPAI COUNTY, ARIZONA
ANA WAYMAN-TRUJILLO
County Recorder
By _____ Deputy Records

ARCHITECT
DON WOODS ARCHITECT
P.O. BOX 773
SEDONA, AZ 86339
PHONE: (928)282-3791

ARCHITECT
BOB WOODS ARCHITECT
1473 GRAY BAR DRIVE COTTONWOOD, ARIZONA, 86326
PHONE : (928) 646 - 5989
FAX : (928) 646 - 5989

OWNER/DEVELOPER
PARK PLACE SEDONA, LLC.
15 CULTURAL PARK PLACE #1
SEDONA, AZ 86336
PHONE: (928)282-5783

SURVEYOR
EARL G. WATTS, RLS 27253
SHEPHARD-WESNITZER, INC.
1146 W. Hwy. 89A, SUITE B
SEDONA, AZ 86340
PHONE: (928)282-1061

LANDSCAPE ARCHITECT
RICHARD HUBBELL & ASSOCIATES
LANDSCAPE ARCHITECTS/LAND PLANNERS
80 SOLDIER'S PASS ROAD
SEDONA, AZ 86336
PHONE: (928)282-9477

LEGEND AND ABBREVIATIONS

- BUILDING TIES TO THE UNFINISHED INTERIOR BUILDING WALLS
- PROPERTY BOUNDARY
- SETBACK
- EXISTING LOT LINES
- EXISTING EASEMENTS
- FOUND 1/2" REBAR PER (R1)
- UNFINISHED INTERIOR BUILDING OUTLINE
- UNFINISHED INTERIOR GARAGE OUTLINE (SITE PLAN)

(R1) RECORD DATA PER A RESULTS OF SURVEY AS RECORDED IN BOOK 125, PAGE 2 YAVAPAI COUNTY REC ORDER'S OFFICE
CEL CEILING ELEVATION
EL ELEVATION
FF FINISHED FLOOR

NOTE: THE PURPOSE OF THIS AMENDED AMENDED FINAL PLAT OF PARK PLACE CONDOMINIUM IS TO SHOW THE REVISED UNIT BOUNDARIES OF UNITS 21, 23, 77, 80, 83 & 86.

PARK PLACE CONDOMINIUM
SEDONA ARIZONA
AMENDED AMENDED FINAL PLAT
COVER SHEET

JOB NO: 03191
DATE: APRIL 07
SCALE: AS SHOWN
DRAWN: MWJ
DESIGN: AHB/MWJ
CHECKED: AHB/EGW

75 Kallof Place
Sedona, AZ 86336
928.282.1061
928.282.2058 fax
www.swizz.com
Shephard Wesnitzer, Inc.

REVISIONS

NO.	DESCRIPTION	DATE	BY

CALL TWO WORKING DAYS BEFORE YOU DIG
1-800-STAKE-IT

SHEET 1 OF 21

PLOTTED: Apr 06, 2007-3:03pm
FILE: P:\2003\03191\DP\final_plat\cover.dwg MWJ

PLOTTED: Apr 10, 2007 - 8:13am

FILE: P:\2003\03191\EP\final_plat\NOTES.DWG WWJ

FINAL PLAT NOTES:

1. NO STRUCTURE OF ANY KIND SHALL BE CONSTRUCTED OR PLACED WITHIN OR OVER UTILITY EASEMENTS EXCEPT: UTILITIES, WOOD, WIRE, OR REMOVABLE SECTION TYPE OF FENCING; ASPHALT PAVING, GRAVEL, CONCRETE, OR OTHER DRIVEWAY MATERIALS OR SUITABLE LANDSCAPING. IT SHALL BE FURTHER UNDERSTOOD THAT THE UTILITY COMPANIES SHALL NOT BE REQUIRED TO REPLACE OBSTRUCTIONS, PAVING OR PLANTING THAT MUST BE REMOVED DURING THE COURSE OF MAINTENANCE, CONSTRUCTION OR RECONSTRUCTION OF UTILITIES.

2. EACH OF THE UNITS SHOWN HEREON ARE SUBJECT TO THE CONDOMINIUM DECLARATION FOR PARK PLACE CONDOMINIUM, TO BE RECORDED WITH THE COUNTY RECORDER OF YAVAPAI COUNTY, ARIZONA, FOLLOWING THE RECORDING OF THIS PLAT.

3. PROPERTY BOUNDARY INFORMATION SHOWN HEREON WAS OBTAINED FROM A RESULTS OF SURVEY COMPLETED ON APRIL 4, 2005 SIGNED BY WM. TOD GRAHAM I, R.L.S. 14184, RECORDED IN BOOK 125 OF MAPS AND PLATS, PAGE 2 OF THE YAVAPAI RECORDER'S OFFICE (R1) NO BOUNDARY SURVEY WAS PERFORMED BY SHEPHARD–WESNITZER, INC.

4. THE ENTIRE ROAD SYSTEM OF THIS CONDOMINIUM IS DESIGNATED AS COMMON SPACE.

5. BUILDING SETBACKS AS SHOWN HEREON, ARE PER CITY OF SEDONA REGULATIONS.

6. NO LINES, WIRES, OR OTHER SERVICES FOR THE COMMUNICATION OR TRANSMISSION OF ELECTRIC CURRENT OR POWER OR ELECTROMAGNETIC IMPULSES, INCLUDING TELEPHONE, TELEVISION, AND RADIO SIGNALS, SHALL BE ERECTED, PLACED, OR MAINTAINED ANYWHERE IN OR UPON THE PROPERTY UNLESS THEY ARE CONTAINED IN CONDUITS TO CABLES INSTALLED AND MAINTAINED UNDERGROUND OR CONCEALED IN, UNDER, OR ON BUILDINGS OR OTHER STRUCTURES APPROVED BY THE PARK PLACE CONDOMINIUM ASSOCIATION. NOTWITHSTANDING THE FOREGOING, BUT SUBJECT TO ANY APPLICABLE REQUIREMENTS OF GOVERNMENTAL AUTHORITIES, THE ASSOCIATION MAY AUTHORIZE THE ERECTION OF MICROWAVE TOWERS AND SIMILAR STRUCTURES ON COMMON AREAS FOR CENTRALIZED RECEPTION, TRANSMISSION, AND RETRANSMISSION OF MICROWAVE AND SIMILAR SIGNALS. NO PROVISION OF THIS PLAT APPROVED SHALL BE DEEMED TO FORBID THE ERECTION OF TEMPORARY POWER OR TELEPHONE STRUCTURES INCIDENT TO THE CONSTRUCTION OF BUILDINGS, STRUCTURES. OR IMPROVEMENTS APPROVED BY THE ASSOCIATION.

7. THE BOUNDARIES OF EACH UNIT SHALL BE AS FOLLOWS:
   (A) THE VERTICAL BOUNDARIES ARE THE INTERIOR UNFINISHED SURFACES OF THE PERIMETER WALLS, DOORS AND WINDOWS OF THE UNIT.
   (B) THE HORIZONTAL BOUNDARY SHALL BE THE CONCRETE FLOOR OF THE UNIT.
   (C) THE UPPER HORIZONTAL BOUNDARY SHALL BE A HORIZONTAL PLANE HAVING AN ELEVATION EQUAL TO THE HIGHEST POINT OF THE FINISHED CEILING OF THE UNIT.

8. ROAD REPAIR WITHIN FOOTHILLS SOUTH SUBDIVISION IS SUBJECT TO THE REQUIREMENTS AND APPROVALS OF THE FOOTHILLS HOMEOWNERS ASSOCIATION.

9. THE COMMON ELEMENT IS ALL THE SPACE EXCEPTING THE UNITS AND GARAGES AS SHOWN HEREON, AND AS DESCRIBED IN THE CC&R'S.

LEGAL DESCRIPTION PER (R1)

A PARCEL OF LAND BEING A PORTION OF THE WEST HALF OF SECTION 15, TOWNSHIP 17 NORTH, RANGE 5 EAST OF THE GILA AND SALT RIVER MERIDIAN IN YAVAPAI COUNTY, ARIZONA, SAID PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST WESTERLY CORNER OF LOT 163 OF THE FOOTHILLS SOUTH, UNIT TWO SUBDIVISION ACCORDING TO THE AMENDED PLAT THEREOF RECORDED IN BOOK 22 OF MAPS & PLATS, PAGES 73 AND 74 OF THE YAVAPAI COUNTY RECORDER'S OFFICE, SAID CORNER BEING ON THE SOUTHERLY RIGHT–OF–WAY LINE OF ARIZONA HIGHWAY 89–A, AND FROM WHICH, A ½" RE–BAR WITH CAP STAMPED "LS 2049" (HEREINAFTER REFERRED TO AS "POINT A") FOUND AT THE INTERSECTION OF THE EASEMENT LINE AND THE LOT LINE COMMON TO LOTS 162 AND 163, AS SHOWN ON SAID PLAT OF FOOTHILLS SOUTH, UNIT TWO, BEARS N 70°28'58" E A DISTANCE OF 187.13 FEET, AND ALSO FROM SAID POINT OF BEGINNING A ½" RE–BAR WITH CAP STAMPED "LS 14184", SET AS A WITNESS CORNER, BEARS S 56°23'16" E A DISTANCE OF 5.20 FEET;
THENCE FROM SAID POINT OF BEGINNING, ALONG THE SOUTHWESTERLY LINE OF SAID LOT 163, S 56°23'16" E A DISTANCE OF 167.01 FEET TO A ½" RE–BAR WITH CAP STAMPED "LS 14184" SET AT THE MOST SOUTHERLY CORNER OF SAID LOT 163, SAID POINT ALSO BEING ON THE WESTERLY RIGHT–OF–WAY LINE OF CALLE FELIZ PER SAID PLAT OF FOOTHILLS SOUTH, UNIT TWO;
THENCE ALONG SAID WESTERLY RIGHT–OF–WAY LINE, BEING A NON–TANGENT CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 120.00 FEET, CHORD BEARING OF S 23°43'37" E AND CENTRAL ANGLE OF 37°18'39", AN ARC DISTANCE OF 78.14 FEET TO A ½" RE–BAR WITH CAP STAMPED "LS 14184" SET AT A POINT OF REVERSED CURVATURE;
THENCE ALONG A TANGENT CURVE CONCAVE TO THE WEST, HAVING A RADIUS OF 27.89 FEET, CHORD BEARING OF S 00°59'05" W AND CENTRAL ANGLE OF 86°43'56", AN ARC DISTANCE OF 42.22 FEET TO A ½" RE–BAR WITH CAP STAMPED "LS 14184" SET AT A POINT OF REVERSED CURVATURE, SAID POINT BEING ON THE NORTHWESTERLY RIGHT–OF–WAY LINE OF EL CAMINO REAL PER SAID PLAT OF FOOTHILLS SOUTH, UNIT TWO;
THENCE ALONG SAID NORTHWESTERLY RIGHT–OF–WAY LINE, BEING A TANGENT CURVE CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 900.00 FEET, CHORD BEARING OF S 39°58'43" W AND CENTRAL ANGLE OF 08°44'38", AN ARC DISTANCE OF 137.35 FEET TO A ½" RE–BAR WITH CAP STAMPED "LS 14184" SET AT A POINT OF REVERSED CURVATURE;
THENCE CONTINUING ALONG SAID NORTHWESTERLY RIGHT–OF–WAY LINE, BEING A TANGENT CURVE CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 6,035.58 FEET, CHORD BEARING OF S 43°10'05" W AND CENTRAL ANGLE OF 15°07'22", AN ARC DISTANCE OF 1,593.04 FEET TO A ½" RE–BAR WITH CAP STAMPED "LS 14184" (SET), FROM WHICH A ½" RE–BAR WITH CAP STAMPED "LS 2049" (HEREINAFTER REFERRED TO AS "POINT B"), FOUND AT THE INTERSECTION OF THE EASEMENT LINE AND THE LOT LINE COMMON TO LOTS 109 AND 110, AS SHOWN ON SAID PLAT OF FOOTHILLS SOUTH, UNIT TWO, BEARS N 71°20'45" E A DISTANCE OF 230.82 FEET,;
THENCE DEPARTING SAID NORTHWESTERLY RIGHT–OF–WAY LINE, N 39°16'14" W A DISTANCE OF 241.00 FEET TO A POINT ON THE SOUTHERLY RIGHT–OF–WAY LINE OF ARIZONA HIGHWAY 89–A;
THENCE ALONG SAID SOUTHERLY RIGHT–OF–WAY LINE, BEING A NON–TANGENT CURVE CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 5,795.58 FEET, CHORD BEARING OF N 49°40'14" E AND CENTRAL ANGLE OF 02°07'59", AN ARC DISTANCE OF 215.76 FEET TO THE WEST CORNER OF THE "CITY OF SEDONA PARCEL" AS IT IS DESCRIBED IN THAT CERTAIN SPECIAL WARRANTY DEED RECORDED IN BOOK 3766 OF OFFICIAL RECORDS, PAGE 300 OF THE YAVAPAI COUNTY RECORDER'S OFFICE;
THENCE ALONG THE BOUNDARIES OF SAID "CITY OF SEDONA PARCEL" THE FOLLOWING COURSES:
S41°29'13"E A DISTANCE OF 17.17 FEET;
N48°31'47"E A DISTANCE OF 21.34 FEET;
N41°29'13"W A DISTANCE OF 17.18 FEET TO SAID SOUTHERLY RIGHT–OF–WAY LINE OF ARIZONA HIGHWAY 89–A;
THENCE ALONG SAID SOUTHERLY RIGHT–OF–WAY LINE, BEING A NON–TANGENT CURVE CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 5,795.58 FEET, CHORD BEARING OF N46°13'06" E AND CENTRAL ANGLE OF 04°20'59", AN ARC DISTANCE OF 439.98 FEET TO THE WEST CORNER OF "ADDITIONAL RIGHT–OF–WAY" DESCRIBED AS PARCEL 2 ON PAGE 15 OF EXHIBIT "A" OF THE "AMENDED FINAL ORDER OF CONDEMNATION" RECORDED IN BOOK 4122 OF OFFICIAL RECORDS, PAGE 262 OF THE YAVAPAI COUNTY RECORDER'S OFFICE;
THENCE ALONG THE BOUNDARIES OF SAID "ADDITIONAL RIGHT–OF–WAY" THE FOLLOWING COURSES:
S46°15'35"E A DISTANCE OF 12.47 FEET (S46°11'01"E ~ 11.83' REC.);
NORTHEASTERLY ALONG A NON–TANGENT CURVE CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 5,822.03 FEET, CHORD BEARING OF N43°46'24"E AND CENTRAL ANGLE OF 00°12'47", AN ARC DISTANCE OF 21.64 FEET (21.60' REC.);
N46°14'42"W A DISTANCE OF 12.41 FEET (N46°23'47"W ~ 11.77' REC.) TO SAID SOUTHERLY RIGHT–OF–WAY LINE OF ARIZONA HIGHWAY 89–A;
THENCE ALONG SAID SOUTHERLY RIGHT–OF–WAY LINE OF ARIZONA HIGHWAY 89–A, BEING A NON–TANGENT CURVE CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 5,795.58 FEET, CHORD BEARING OF N38°43'33"E AND CENTRAL ANGLE OF 10°12'25", AN ARC DISTANCE OF 1,032.45 FEET TO THE POINT OF BEGINNING.

THE BASIS OF BEARINGS FOR THIS DESCRIPTION IS BETWEEN "POINT A" AND "POINT B" AS DESCRIBED HEREINBEFORE. THE BEARING AND DISTANCE BETWEEN SAID POINTS ARE S33°32'04"W ~ 1,743.60' (S33°32'04"W ~ 1,743.25' AS CALCULATED FROM RECORD DIMENSIONS PER SAID PLAT OF FOOTHILLS SOUTH, UNIT TWO)

FLOOD CONTROL NOTES:

1. NO CHAIN LINK, WOVEN WIRE OR BLOCK WALL FENCES ARE TO BE PLACED WITHIN THOSE AREAS NECESSARY TO CONVEY STORM RUNOFF FROM THE SUBDIVISION.

2. NO STRUCTURE OF ANY KIND SHALL BE CONSTRUCTED OR ANY VEGETATION BE PLANTED NOR BE ALLOWED TO GROW WITHIN, ON OR OVER WATERCOURSES WHICH ARE OUTSIDE THE BUILDING ENVELOPES WHICH WOULD OBSTRUCT OR DIVERT THE FLOW OF STORM WATER.

3. NATURAL GROUND CONDITIONS MAY CONVEY FLOWS THROUGH COMMON ELEMENT. CAUTION SHOULD BE EXERCISED IN SELECTING A BUILDING SITE. HOME OWNERS ASSOCIATION MAY WISH TO CONTACT THE ENGINEER OR THE CITY OF SEDONA FOR ADDITIONAL DIRECTION.

4. THE PROPERTY OWNERS OF THE COMMON ELEMENT, WHICH INCLUDES A WATERCOURSE, IS RESPONSIBLE FOR MAINTAINING THE NATURAL AND MANMADE WATERCOURSES' CONDITION, AS IT WAS WHEN THE SUBDIVISION WAS APPROVED. NATURAL OR MANMADE WATERCOURSES SHALL NOT BE MOVED FROM THE LOCATION EXISTING AT THE TIME OF SUBDIVISION APPROVAL (UNLESS APPROVED BY THE CITY OF SEDONA AND THE PROPOSED ACTION IS REVIEWED TO DETERMINE THE APPLICABILITY OF CORPS OF ENGINEERS OR OTHER FEDERAL, STATE OR LOCAL PERMITTING). THESE WATER COURSES WILL REQUIRE PERIODIC MAINTENANCE TO CONVEY ON–SITE OR OFF–SITE DISCHARGES. PERIODIC MAINTENANCE WILL CONSIST OF THE REMOVAL OF EARTH AND/OR VEGETATIVE MATERIAL THAT HAS BUILT UP SINCE THE ORIGINAL APPROVAL OF THE FINAL PLAT OF THIS SUBDIVISION.

5. EASEMENTS ARE HEREBY GRANTED TO THE ASSOCIATION AND THE PROPERTY OWNERS OF THIS SUBDIVISION FOR DRAINAGE PURPOSES AS SHOWN ON THIS PLAT IN THE AREAS MARKED DRAINAGE EASEMENT CLASS II. THE PROPERTY OWNERS OF THE COMMON ELEMENT WHICH INCLUDES A DRAINAGE EASEMENT ARE RESPONSIBLE FOR MAINTAINING THE DRAINAGE EASEMENT'S CONDITION AS IT WAS WHEN THE SUBDIVISION WAS APPROVED. DRAINAGE EASEMENTS CONFORM TO THE NATURAL OR MANMADE WATERCOURSES AND SHALL NOT BE MOVED FROM THE LOCATION EXISTING AT THE TIME OF THE APPROVAL OF THE SUBDIVISION (UNLESS APPROVED BY THE CITY OF SEDONA). THESE WATERCOURSES MAY REQUIRE PERIODIC MAINTENANCE TO CONVEY ON–SITE OR OFF–SITE DISCHARGES. PERIODIC MAINTENANCE MAY CONSIST OF THE REMOVAL OR EARTH AND/OR VEGETATIVE MATERIAL THAT HAS BUILT UP SINCE THE ORIGINAL APPROVAL OF THE FINAL PLAT FOR THIS SUBDIVISION.
IF THE DRAINAGE EASEMENTS ARE NOT ADEQUATELY MAINTAINED, THE ASSOCIATION WILL NOT BE RESPONSIBLE OR LIABLE FOR ANY DAMAGE. HOWEVER, IT HAS THE AUTHORITY TO ENTER ONTO THE SITE AND MAINTAIN THE DRAINAGE EASEMENTS AT THE EXPENSE OF THE PROPERTY OWNERS. SHOULD COURT ACTION BE NECESSARY TO COLLECT THESE BILLS, THE PROPERTY OWNER (S) SHALL BE RESPONSIBLE FOR ATTORNEY'S FEES AND COURT COSTS.

60151

FOR RECORDER
No. 4151932
FILED AND RECORDED AT REQUEST OF
Shepherd-Wesnitzer, Inc
July 2, A.D. 2007
AT 11:02 O'CLOCK A M
BOOK 60 OF MAPS & PLATS
PAGE 51
RECORDED IN YAVAPAI COUNTY, ARIZONA
ANA WAYMAN-TRUJILLO
County Recorder
By Deputy Recorder

LEGEND AND ABBREVIATIONS

- BUILDING TIES TO THE UNFINISHED INTERIOR BUILDING WALLS
- PROPERTY BOUNDARY
- SETBACK
- EXISTING LOT LINES
- EXISTING EASEMENTS
- FOUND 1/2" REBAR PER (R1)
- UNFINISHED INTERIOR BUILDING OUTLINE
- UNFINISHED INTERIOR GARAGE OUTLINE (SITE PLAN)

(R1) RECORD DATA PER A RESULTS OF SURVEY AS RECORDED IN BOOK 125, PAGE 2 YAVAPAI COUNTY RECORDER'S OFFICE
CEL CEILING ELEVATION
EL ELEVATION
FF FINISHED FLOOR

APN 408-11-140Z
APPLICATION # SUB2002-8

SEDONA, ARIZONA

PARK PLACE CONDOMINIUM

AMENDED AMENDED FINAL PLAT NOTES SHEET

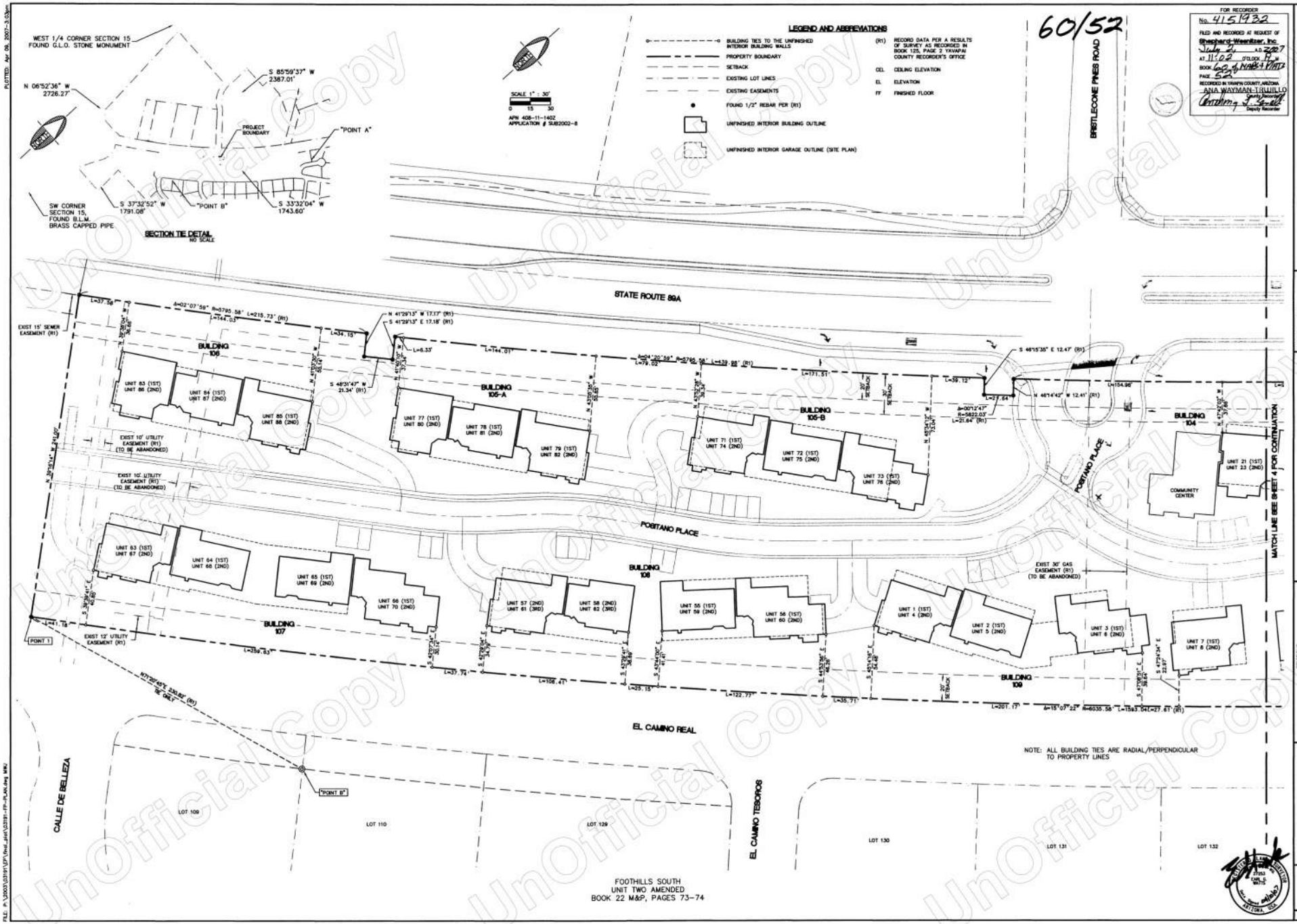
APN NO. 0319
DATE: APRIL 07
SCALE: AS SHOWN
DRAWN: WWJ
DESIGN: AHB/AWJ
CHECKED: AHB/AWJ

Shephard Wesnitzer, Inc.
75 Kallof Place
Sedona, AZ 86336
928.282.1061
928.282.2038 fax
www.swiaz.com

NO.	DESCRIPTION	DATE	BY
	REVISIONS		

CALL TWO WORKING DAYS BEFORE YOU DIG
1-800-STAKE-IT

SHEET 2 OF 21



60154

NOTE:
ALL UNIT LINES ARE PERPENDICULAR AND/OR PARALLEL UNLESS NOTED OTHERWISE

FOR RECORDER
No. 415932
FILED AND RECORDED AT REQUEST OF
Shephard-Wesnitzer, Inc.
July 2, A.D. 2007
AT 11:02 STO.LOCK P.M.
BOOK 600 OF MAPS & PLATS
PAGE 54
RECORDED IN YAVAPAI COUNTY, ARIZONA
ANA WAYMAN-TRUJILLO
County Recorder
By: Deputy Recorder

PARK PLACE CONDOMINIUM
SEDONA, ARIZONA

AMENDED AMENDED FINAL PLAT
DETAIL VIEW - BUILDING 100

JOB NO: 0319
DATE: APRIL 07
SCALE: AS SHOWN
DRAWN: MWJ
DESIGN: AHR/AWJ
CHECKED: AHR/TGW

75 Kaliof Place
Sedona, AZ 86336
928.282.1061
928.282.2038 fax
www.swloz.com

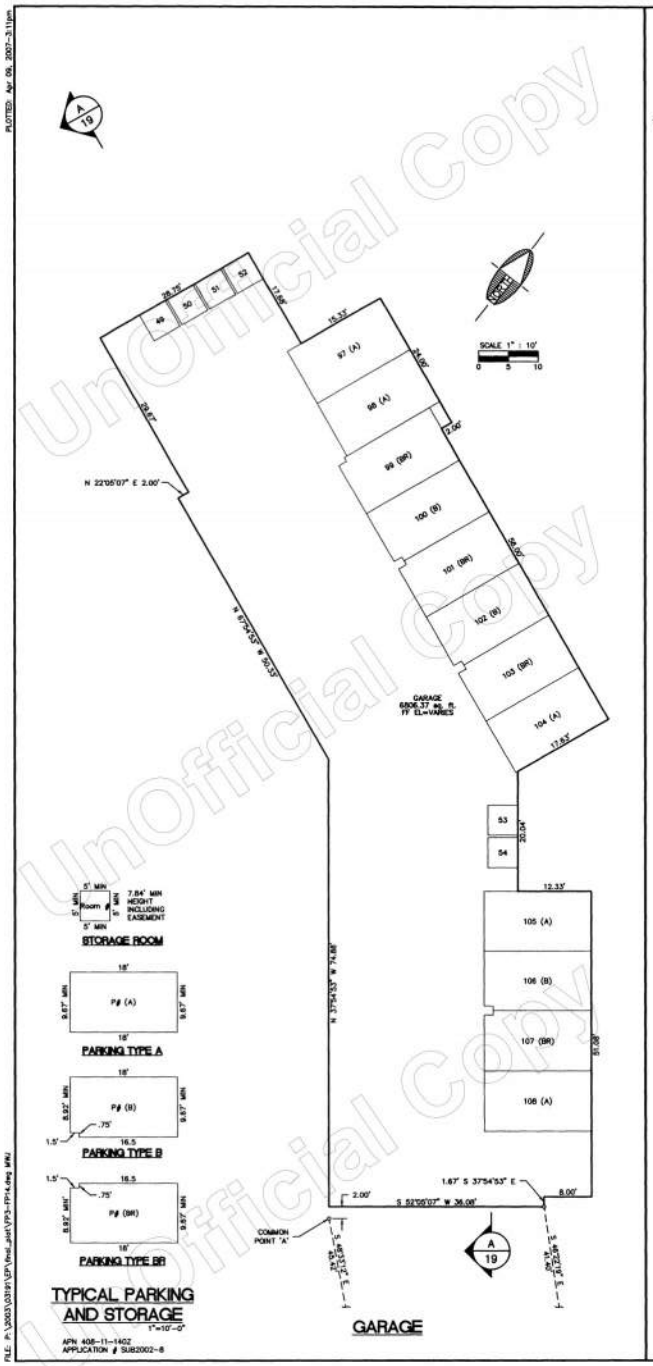
SW
Shephard / Wesnitzer, Inc.

NO.	DESCRIPTION	DATE	BY

REVISIONS

CALL TWO WORKING DAYS BEFORE YOU DIG!
1-800-STAKE-IT

SHEET 5 OF 21



TYPICAL PARKING AND STORAGE
1"=10'-0"

APN 408-11-1402
APPLICATION # SUB2002-8

GARAGE

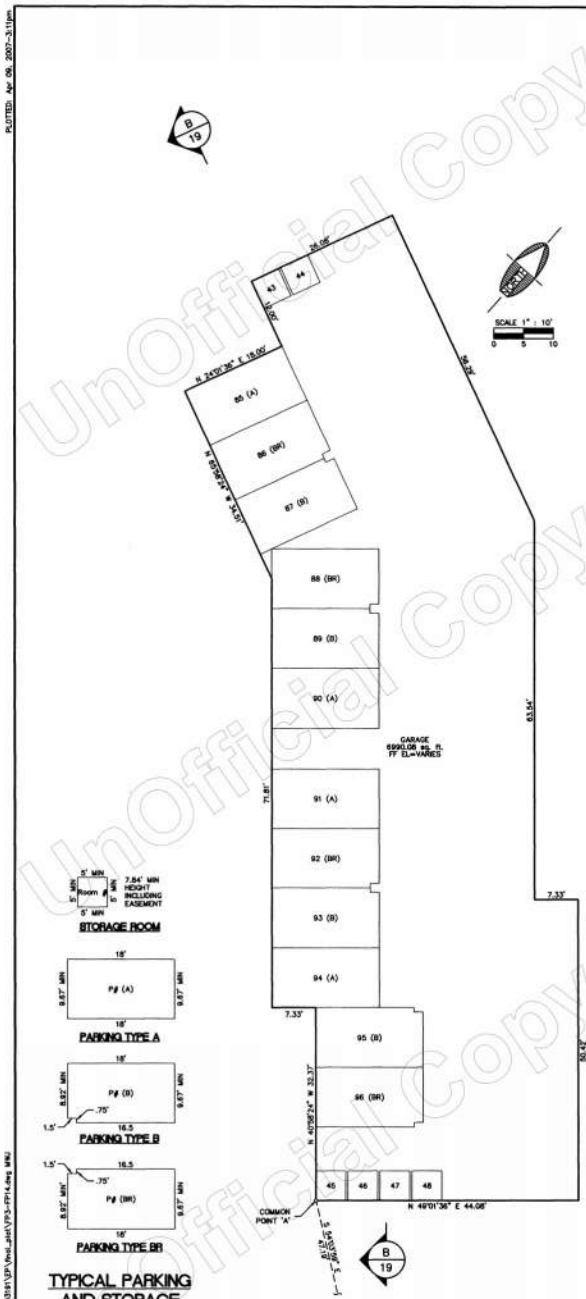
1ST FLOOR

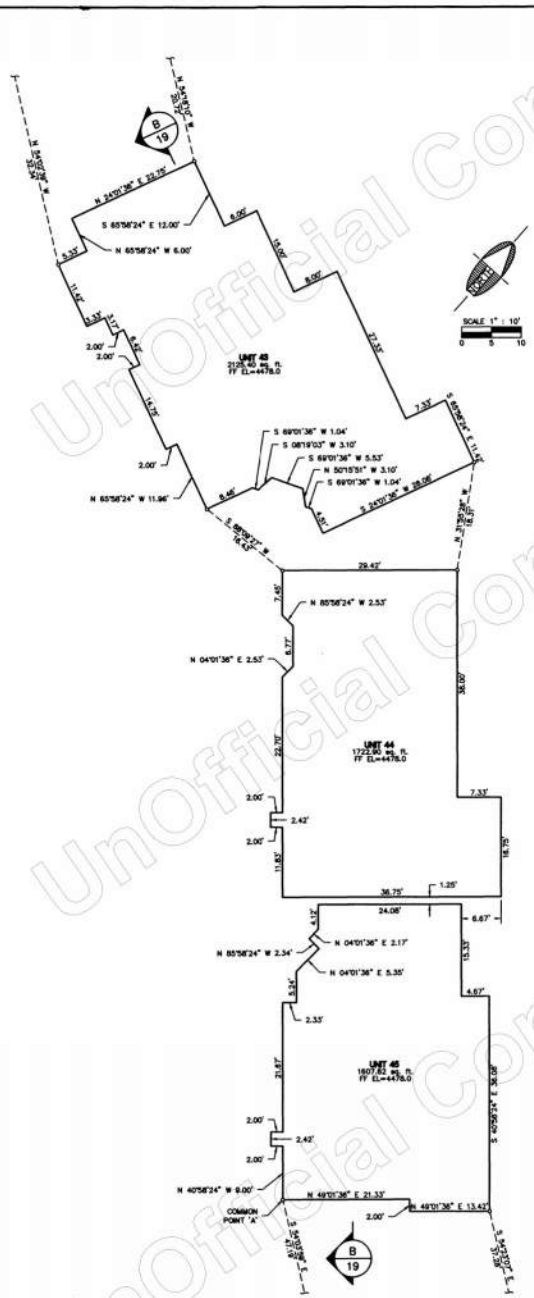
2ND FLOOR

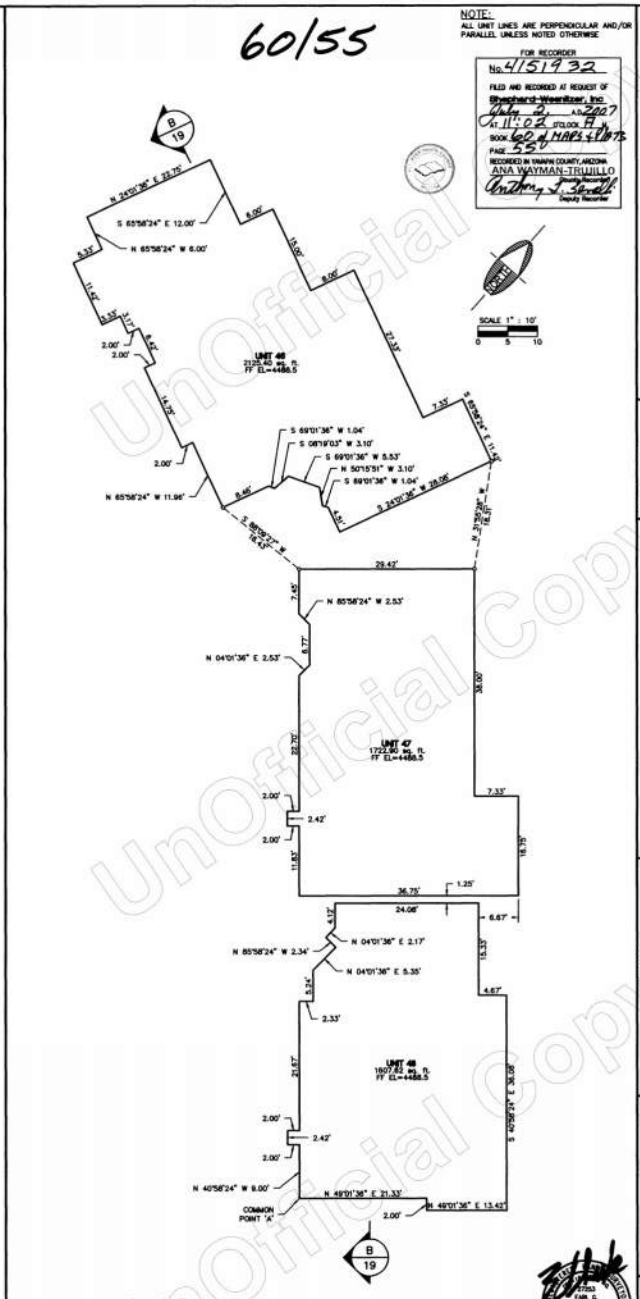
60/55

NOTE:
ALL UNIT LINES ARE PERPENDICULAR AND/OR PARALLEL UNLESS NOTED OTHERWISE

FOR RECORDER
No. 4151932
FILED AND RECORDED AT REQUEST OF
Shepherd-Wesnitzer, Inc.
July 2, A.D. 2007
At 11:02 o'clock A M.
BOOK 62 of MAPS & PLATS
PAGE 55
RECORDED IN YAVAPAI COUNTY, ARIZONA
ANA WAYMAN-TRUJILLO
County Recorder
Anthony L Sewell
Deputy Recorder







1ST FLOOR

2ND FLOOR

SEDONA ARIZONA

PARK PLACE CONDOMINIUM

AMENDED AMENDED FINAL PLAT
DETAIL VIEW - BUILDING 101

JOB NO: 03191
DATE: APRIL 07
SCALE: AS SHOWN
DRAWN: MRS
DESIGN: AHS/MRJ
CHECKED: AHS/TSW

75 Kallof Place
Sedona, AZ 86336
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928.282.2066 fax
www.swiaz.com
Shephard · Wesnitzer, Inc.

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	REVISIONS		

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SHEET
6
OF 21

PLOTTED: Apr 06, 2007-3:11pm
FILE: P:\2003\03191\EP\Arch_plan\EP3-FP14.dwg MRJ

60/56

NOTE:
ALL UNIT LINES ARE PERPENDICULAR AND/OR PARALLEL UNLESS NOTED OTHERWISE

FOR RECORDER
No. 4151932
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July 2, A.D. 2007
AT 11:02 O'CLOCK A.M.
BOOK 60 OF MAPS & PLATS
PAGE 56
RECORDED IN YAVAPAI COUNTY, ARIZONA
ANA WAYMAN-TRUJILLO
Anthony J. Powell
Deputy Recorder

D 19

STORAGE ROOM
PARKING TYPE A
PARKING TYPE B
PARKING TYPE BR

TYPICAL PARKING AND STORAGE

1"=10'-0"

APN 408-11-1402
APPLICATION # SUB2002-8

GARAGE

1ST FLOOR

2ND FLOOR

3RD FLOOR

AMENDED AMENDED FINAL PLAT
DETAIL VIEW - BUILDING 102

PARK PLACE CONDOMINIUM
SEDONA ARIZONA

APN NO.	03191
DATE:	APRIL 07
SCALE:	1"=10'
DRAWN:	MWJ
DESIGN:	AHB/AKW
CHECKED:	AHB/AKW

NO.	DESCRIPTION	DATE	BY
	REVISIONS		

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Shephard Wesnitzer, Inc.
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928.282.2058 fax
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SHEET 7 OF 21

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60157

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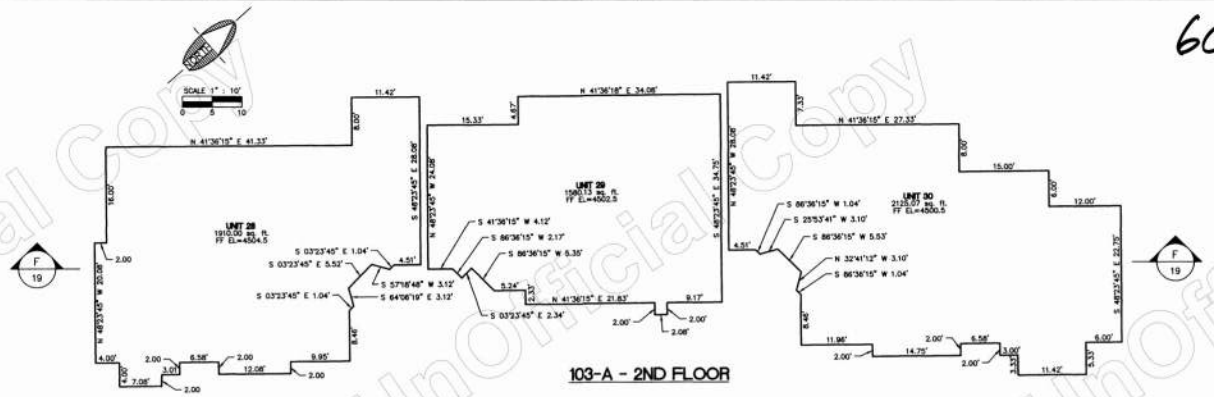
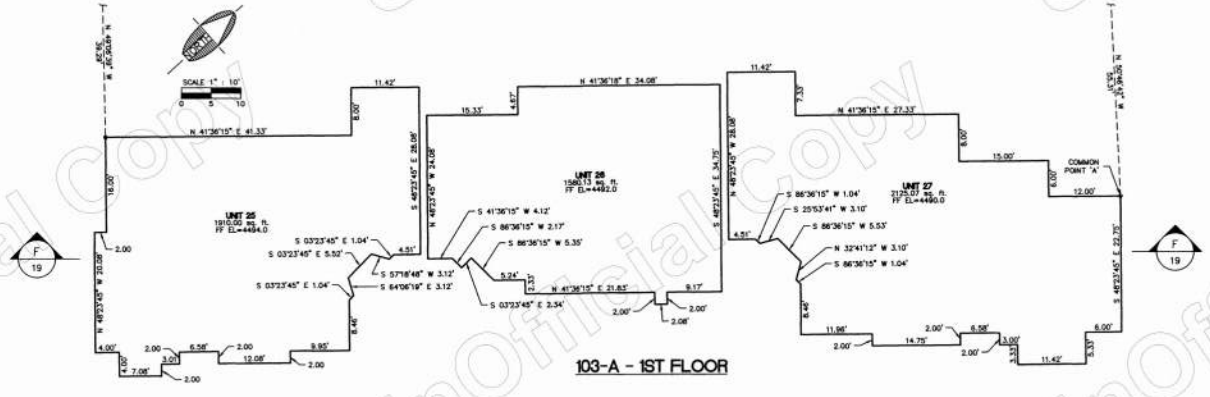
FOR RECORDER
No. 41519 32
FILED AND RECORDED AT REQUEST OF
Shephard-Wesnitzer, Inc
DATE 11/22 A.D. 2007
AT 11:22 O'CLOCK P M
BOOK 60 OF MAPS & PLATS
PAGE 57
RECORDED IN YAVAPAI COUNTY, ARIZONA
ANA WAYMAN-TRUJILLO
Deputy Recorder

APN 408-11-1402
APPLICATION # SUB2002-8



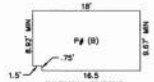
103-A - 2ND FLOOR



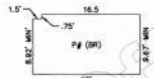
103-A - 1ST FLOOR

STORAGE ROOM

PARKING TYPE A

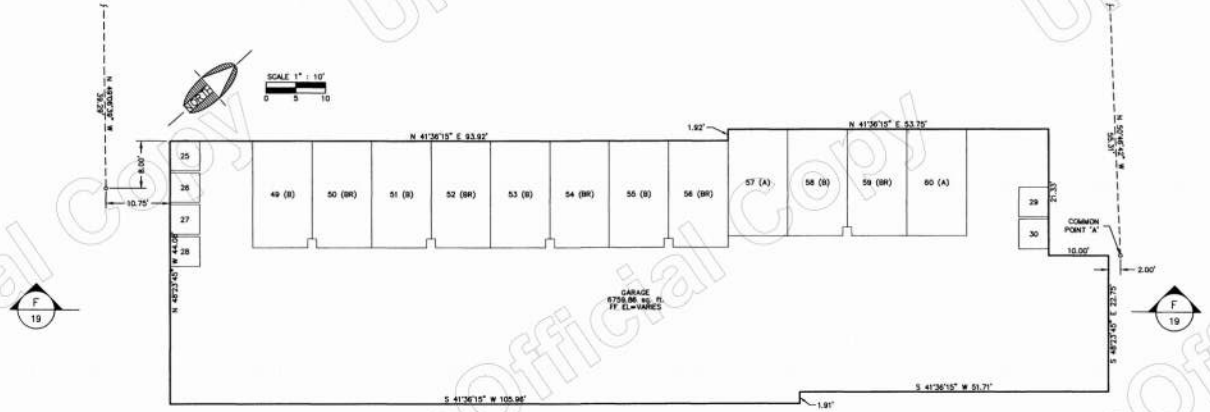


PARKING TYPE B



PARKING TYPE BR

TYPICAL PARKING AND STORAGE
1"=10'-0"



103-A - GARAGE

SEDONA ARIZONA
PARK PLACE CONDOMINIUM
AMENDED AMENDED FINAL PLAT
DETAIL VIEW - BUILDINGS 103-A

JOB NO: 0319
DATE: APRIL 07
SCALE: 1"=10'
DRAWN: MWJ
DESIGN: ANB/MWJ
CHECKED: ANB/KDW

SWI
Shephard Wesnitzer, Inc.
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Sedona, AZ 86336
928.282.1061
928.282.2038 fax
www.swiaz.com

NO.	DESCRIPTION	DATE	BY
	REVISIONS		

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SHEET
8
OF 21

FILE: P:\2003\03191\EP\final_plat\EP3-FP14.dwg MWJ

60/58

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No. 4151432
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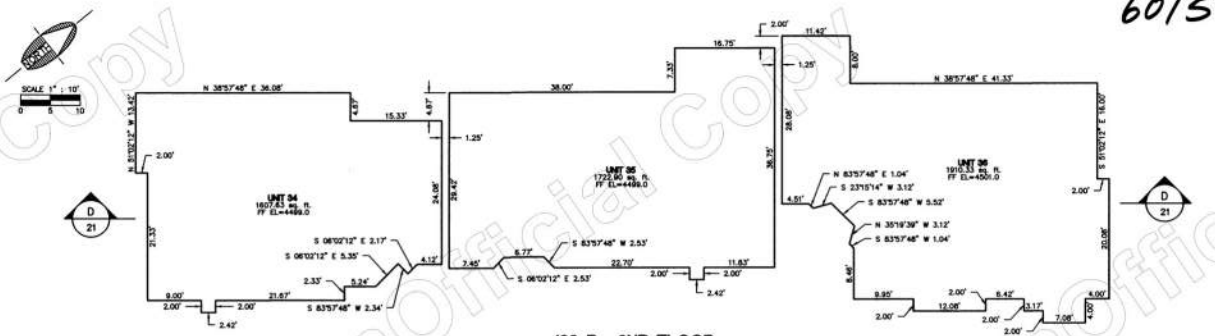
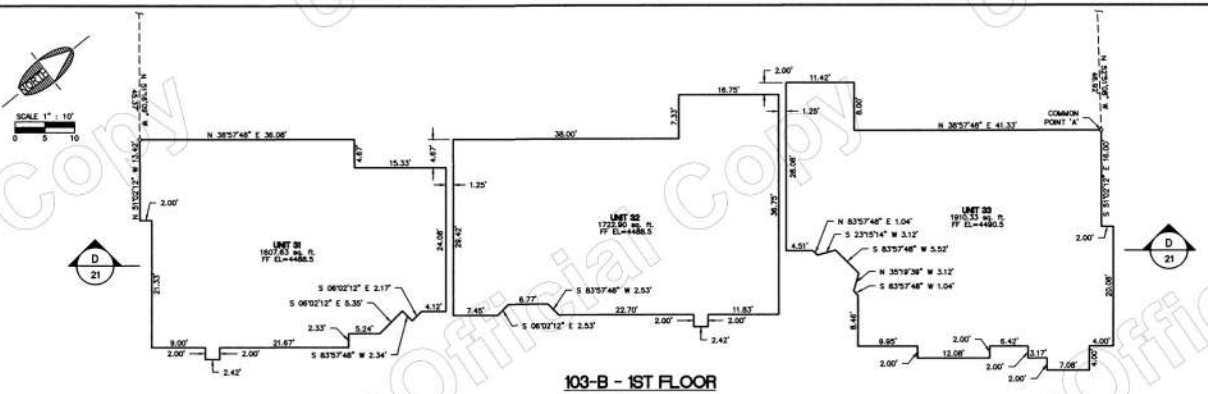
BOOK 66 of MAPS and PLATS
PAGE 58
RECORDED IN YAVAPAI COUNTY, ARIZONA
ANA WAYMAN-TRUJILLO
Deputy Recorder

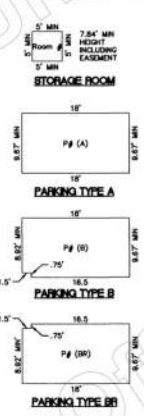
APN: 408-11-1402
APPLICATION # SUB2002-6



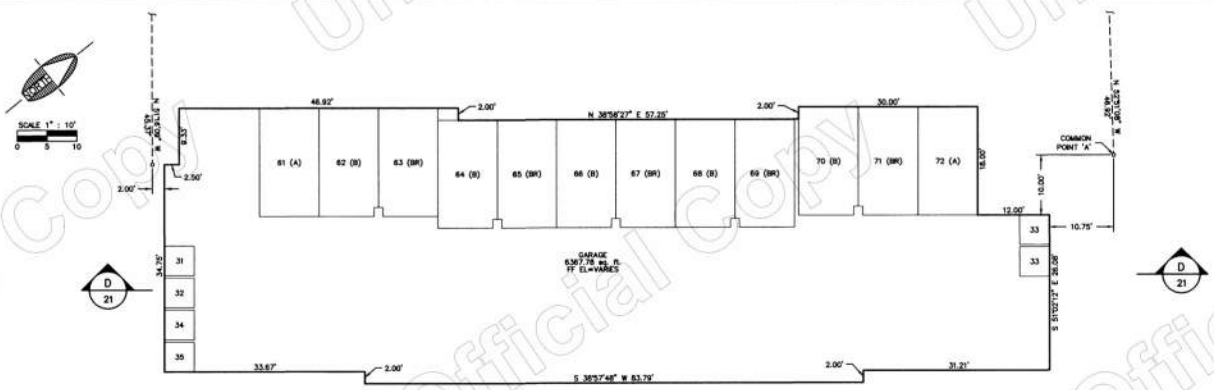
103-B - 2ND FLOOR



103-B - 1ST FLOOR



TYPICAL PARKING AND STORAGE
1"=10'-0"



103-B - GARAGE

Shephard · Wesnitzer, Inc.
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PARK PLACE CONDOMINIUM
SEDONA, ARIZONA

AMENDED AMENDED FINAL PLAT
DETAIL VIEW - BUILDINGS 103-B

APR. NO. 5899
DATE: APRIL 07
SCALE: 1"=10'
DRAWN: MNJ
DESIGN: KMB/MNJ
CHECKED: KMB/SSW

REVISIONS
NO. DESCRIPTION DATE BY

CALL TWO WORKING DAYS BEFORE YOU DIG
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SHEET
9
OF 21

PLOTTED: Apr 06, 2007-3:19pm
FILE: P:\2003\03191\EP\final_plat\EP3-FP14.dwg MNJ

60/59

NOTE:
ALL UNIT LINES ARE PERPENDICULAR AND/OR PARALLEL UNLESS NOTED OTHERWISE

FOR RECORDER
No. 4151932
FILED AND RECORDED AT REQUEST OF
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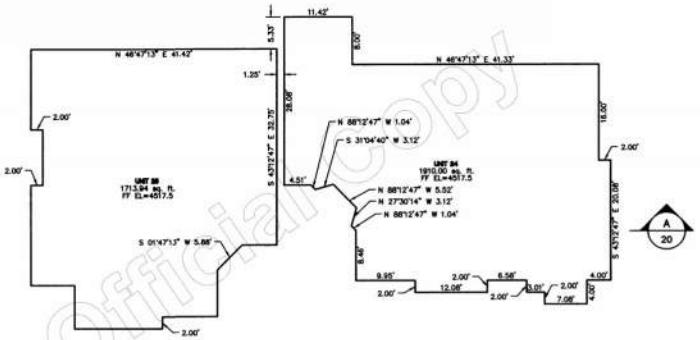
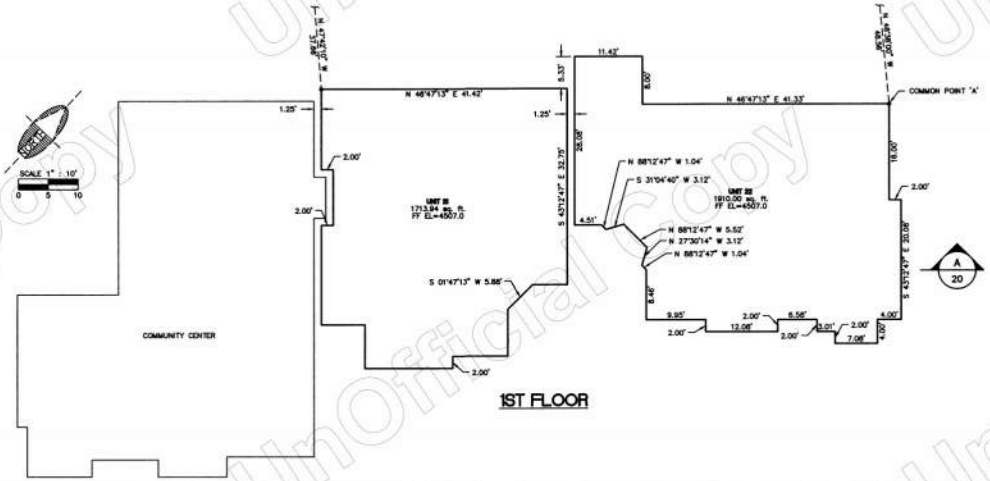
July 6, A.D. 2007
AT 1:02 O'CLOCK P. M.
BOOK 60 OF MAPS & PLATS
PAGE 59
RECORDED IN YAVAPAI COUNTY, ARIZONA
ANA WYMAN-TRUJILLO
County Recorder
Deputy Recorder

APN 408-11-1402
APPLICATION # SUB2002-8

SCALE 1" : 10'
0 5 10

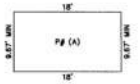


2ND FLOOR

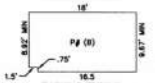


1ST FLOOR

STORAGE ROOM



PARKING TYPE A

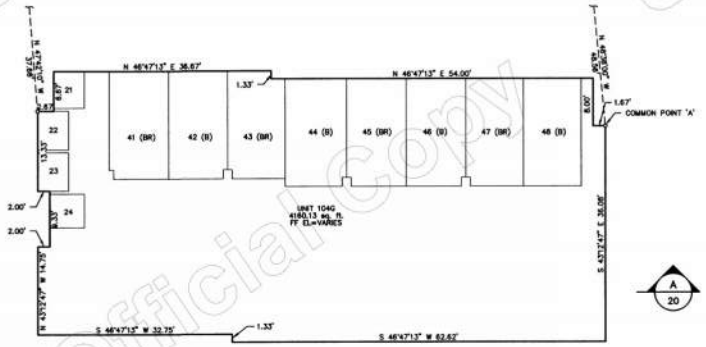


PARKING TYPE B

PARKING TYPE BR

TYPICAL PARKING AND STORAGE
1"=10'-0"

SCALE 1" : 10'
0 5 10



GARAGE

PARK PLACE CONDOMINIUM
SEDONA, ARIZONA

AMENDED AMENDED FINAL PLAT
DETAIL VIEW - BUILDING 104

JOB NO.	03191
DATE:	APRIL 07
SCALE:	1"=10'
DRAWN:	MRG
DESIGN:	AHB/MRG
CHECKED:	AHB/TSW

REVISIONS

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10
OF 21

PLOTTED: Apr 06, 2007 - 5:19pm
FILE: P:\2003\03191\DP\final_plat\VP3-FP14.dwg MHJ

60/60

NOTE:
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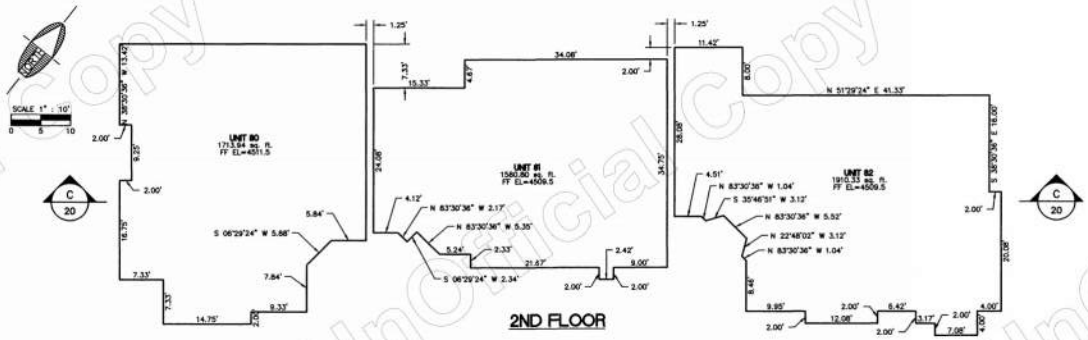
AT 1123 O'CLOCK M.
BOOK 60 OF MAPS AND PLATS
PAGE 60
RECORDED IN YAVAPAI COUNTY, ARIZONA
ANA WAYMAN-TRUJILLO
County Recorder
Deputy Recorder



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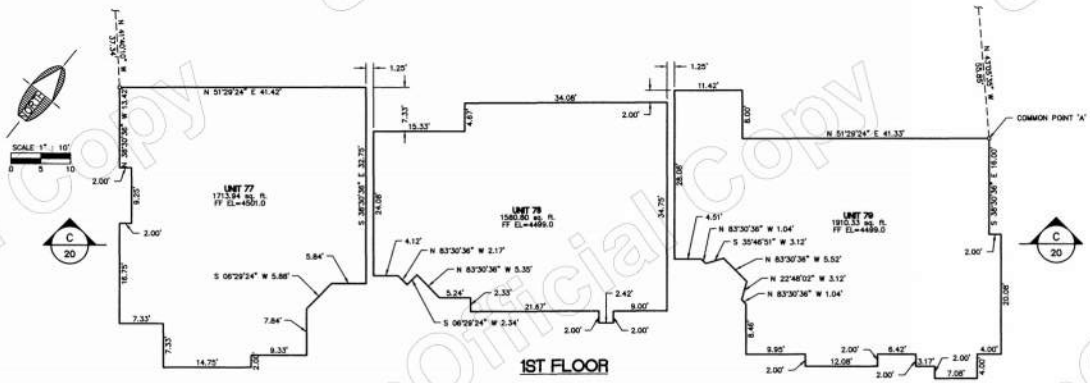
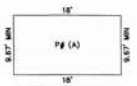


1ST FLOOR

STORAGE ROOM



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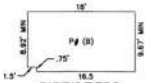
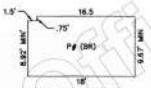
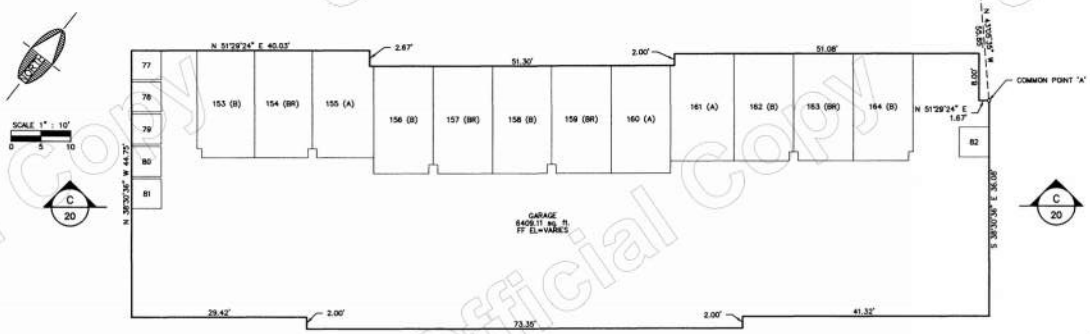


PARKING TYPE B



PARKING TYPE BR

TYPICAL PARKING AND STORAGE
1"=10'-0"



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SEDONA ARIZONA

PARK PLACE CONDOMINIUM

AMENDED AMENDED FINAL PLAT
DETAIL VIEW - BUILDING 105-A

JOB NO.	03191
DATE:	APRIL 07
SCALE:	1"=10'
DRAWN:	MWJ
DESIGN:	AHB/MWJ
CHECKED:	AHB/TDW

NO.	DESCRIPTION	DATE	BY
	REVISIONS		

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11
OF 21

60/61

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No. 4151932
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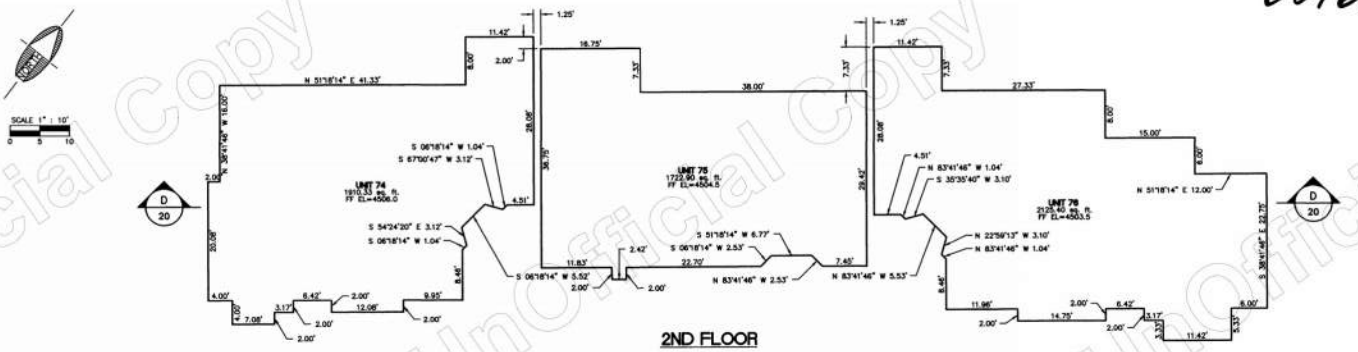
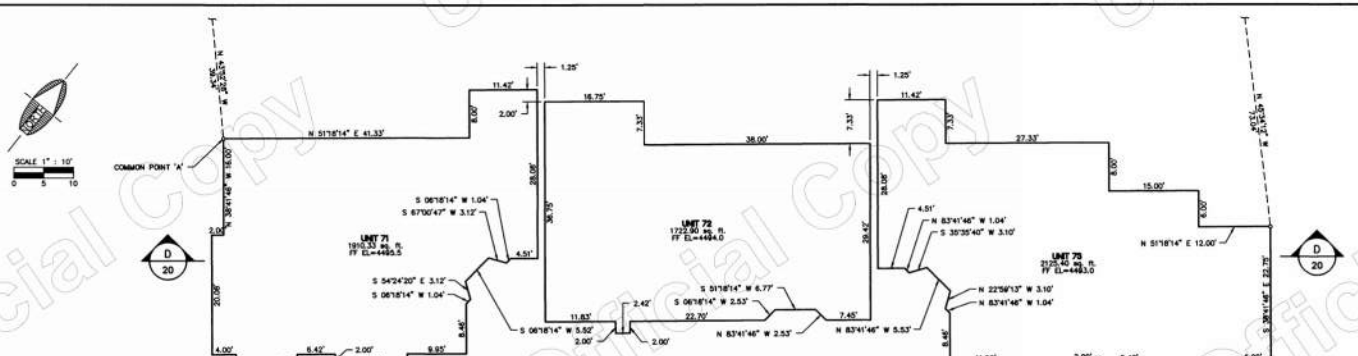
Shephard-Wesnitzer, Inc.
DATE 11:02 2007
BOOK 60 of MAPS & PLATS
PAGE 61
RECORDED IN YAVAPAI COUNTY, ARIZONA
AMBA WAYMAN TRUJILLO
Deputy Recorder

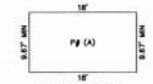


2ND FLOOR



1ST FLOOR

STORAGE ROOM



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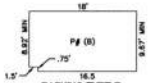
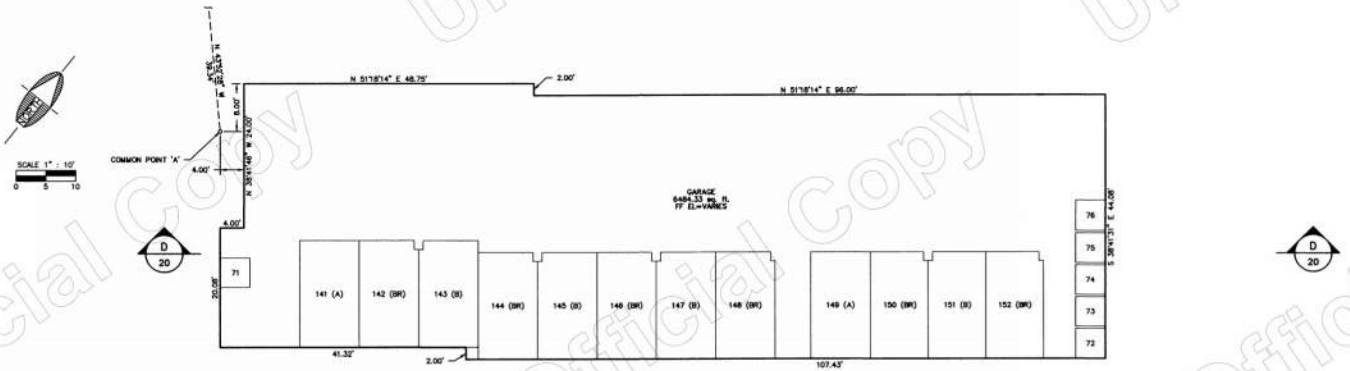


PARKING TYPE B

PARKING TYPE BR

TYPICAL PARKING AND STORAGE
1"=10'-0"

APN 408-11-140Z
APPLICATION # SUB2002-8



GARAGE

PARK PLACE CONDOMINIUM
SEDONA ARIZONA

AMENDED AMENDED FINAL PLAT
DETAIL VIEW - BUILDING 105-B

APN NO. 0316
DATE: APRIL 07
SCALE: 1"=10'
DRAWN: MWJ
DESIGN: AHR/AKM
CHECKED: AHR/KSW

75 Kaitlof Place
Sedona, AZ 86336
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12
OF 21

PLOTTED: Apr 09, 2007-3:19pm
FILE: P:\2003\03191\DP\final_plat\FP3-FP14.dwg MWJ

PLOTTED: Apr 09, 2007 - 3:13pm

60/62

NOTE:
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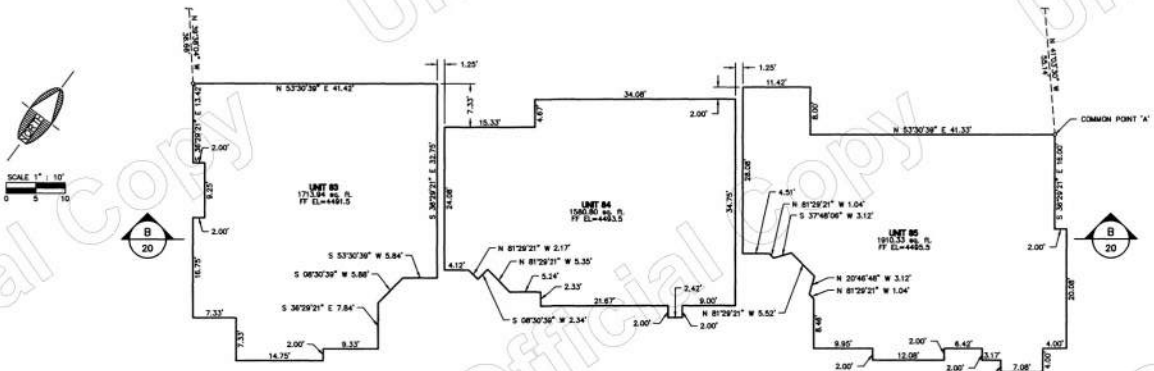
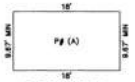
FOR RECORDER
No. 4151932
FILED AND RECORDED AT REQUEST OF
Shepherd-Wesnitzer, Inc.
DATE 21 A.D. 2007
AT 11:02 O'CLOCK P.M.
BOOK 60 OF MAPS
PAGE 62
RECORDED IN YAVAPAI COUNTY, ARIZONA
ANA WYMAN-TRUJILLO
County Recorder
Deputy Recorder

2ND FLOOR

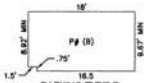


1ST FLOOR

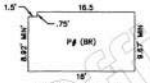
STORAGE ROOM



PARKING TYPE A



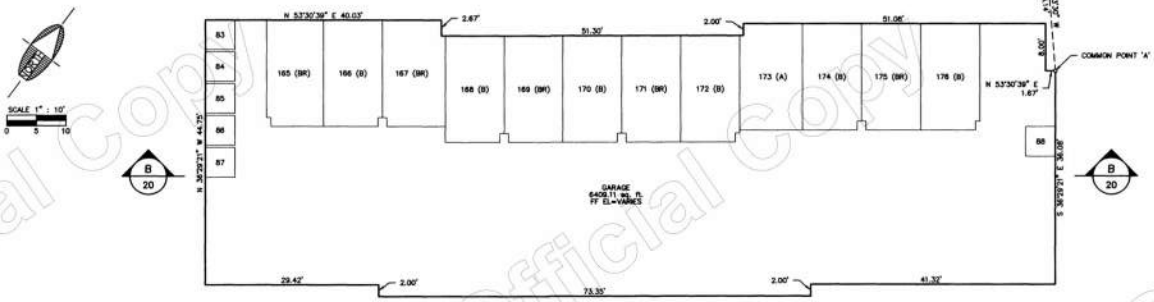
PARKING TYPE B



PARKING TYPE BR

TYPICAL PARKING AND STORAGE
1"=10'-0"

APN 408-11-1402
APPLICATION # SUB2002-6



GARAGE

PARK PLACE CONDOMINIUM
SEDONA ARIZONA

AMENDED AMENDED FINAL PLAT
DETAIL VIEW - UNIT 106

JOB NO. 03191
DATE: APRIL 07
SCALE: 1"=10'
DRAWN: MWJ
DESIGN: AHB/MWJ
CHECKED: AHB/KDW

SWI
Shephard / Wesnitzer, Inc.
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Sedona, AZ 86336
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NO.	DESCRIPTION	REVISIONS DATE	BY

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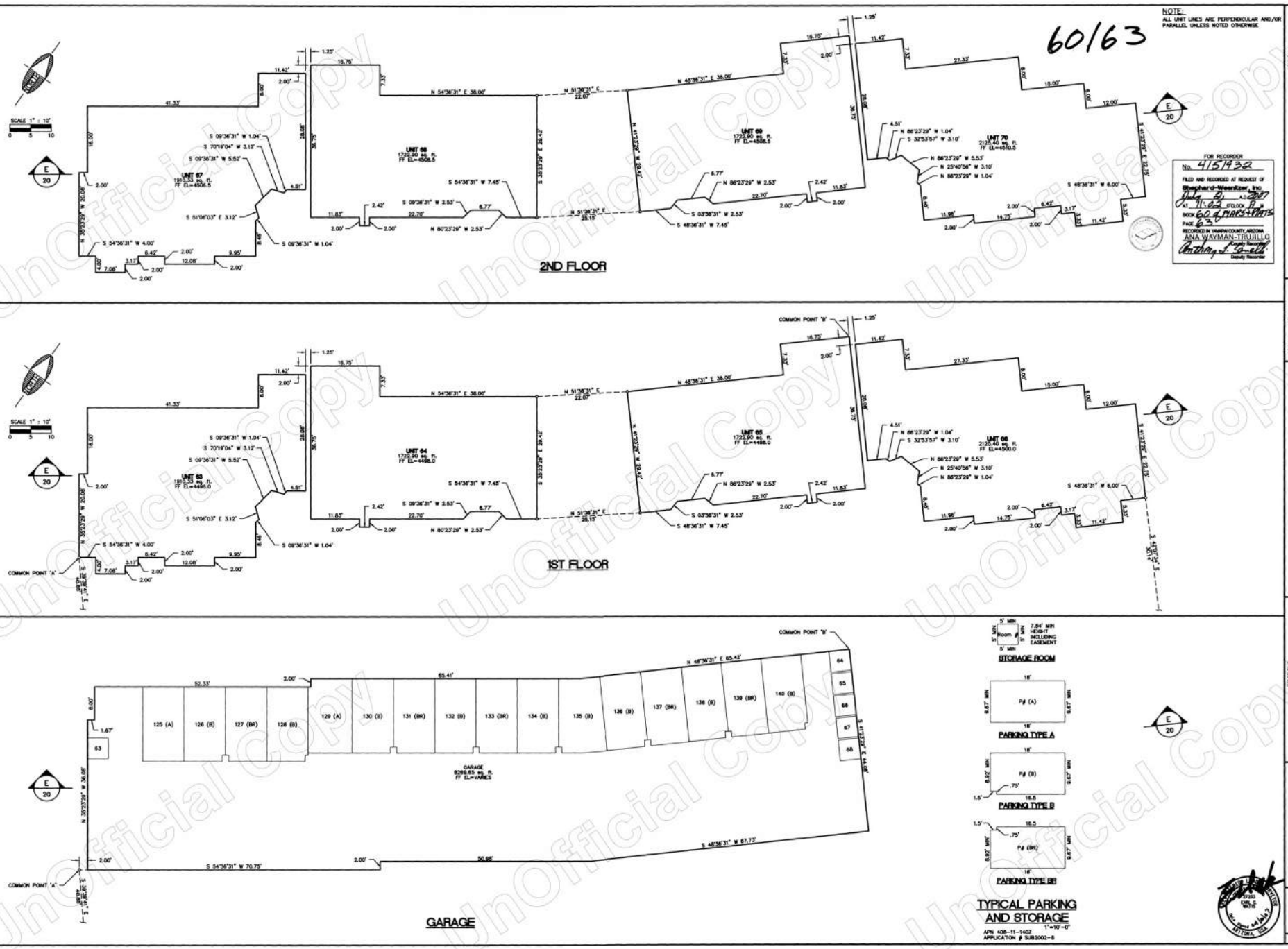
SHEET 13 OF 21

FILE: P:\2003\03191\DP\final_plat\VP3-FP14.dwg MWJ



PARK PLACE CONDOMINIUM
SEDONA, ARIZONA

AMENDED AMENDED FINAL PLAT
DETAIL VIEW - BUILDING 107

APN NO.	0319
DATE:	APRIL 07
SCALE:	1"=10'
DRAWN:	MNU
DESIGN:	AHB/AMU
CHECKED:	AHB/RDM

NO.	DESCRIPTION	DATE	BY
REVISIONS			

Shephard / Wesnitzer, Inc.
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SHEET
14
OF 21

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FILE: P:\2003\03181\DP\final_plat\VP3-FP14.dwg MNU

60/64

NOTE:
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FOR RECORDER
No. 4151432
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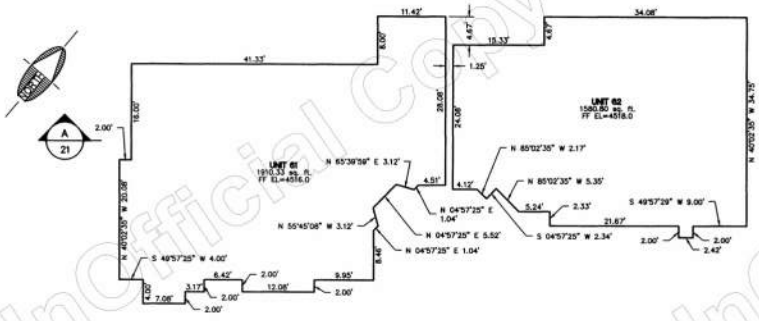
July 24 A.D. 2007
AT 11:02 O'CLOCK P M
BOOK 64 MAPS 11 TO 13
PAGE 60
RECORDED IN YAVAPAI COUNTY, ARIZONA
ANA WAYMAN-TRUJILLO
County Recorder
By [illegible] 7-24-07
Deputy Recorder



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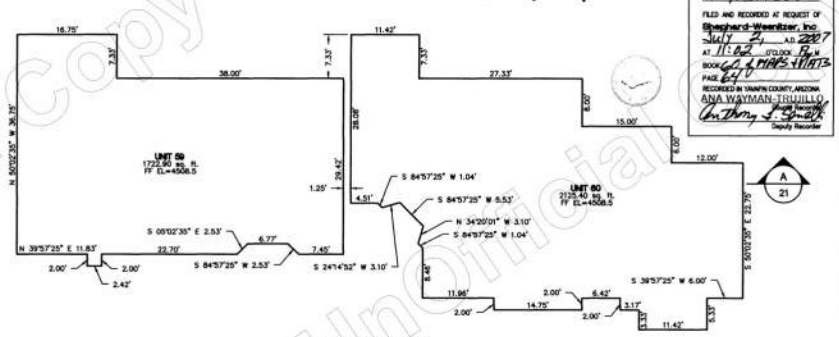
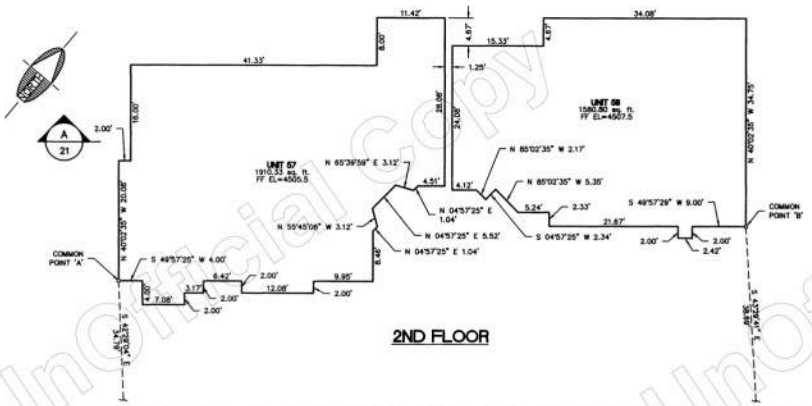


2ND FLOOR



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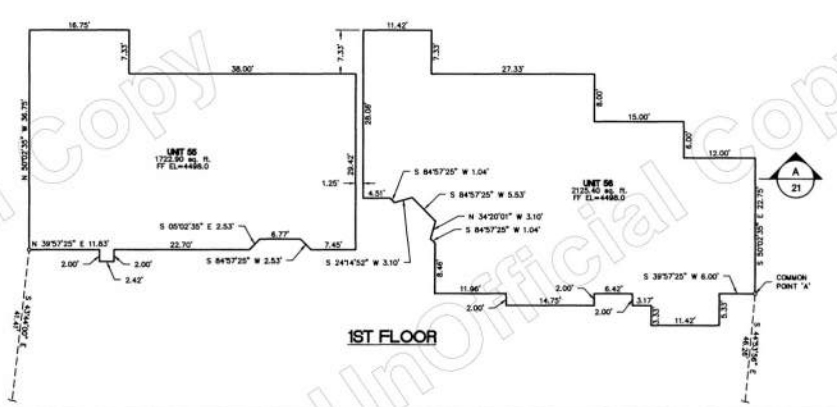

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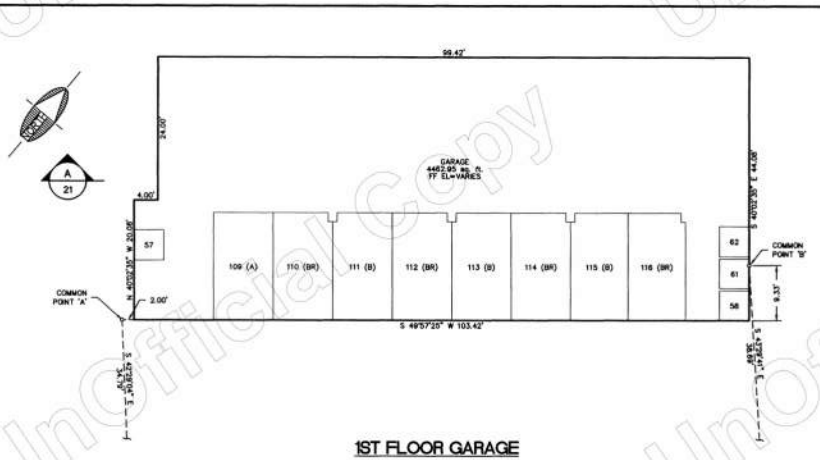
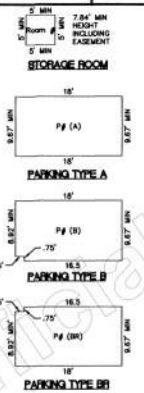
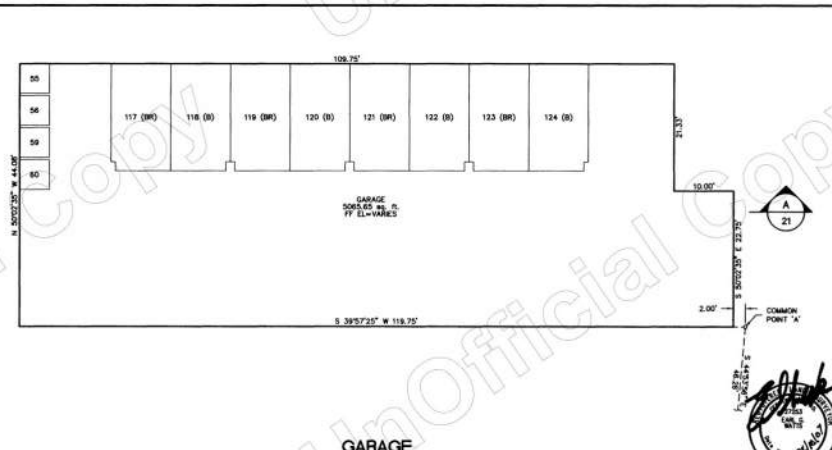


1ST FLOOR GARAGE



TYPICAL PARKING AND STORAGE
1"=10'-0"

APN 408-11-140Z
APPLICATION # SUB2002-8



GARAGE

PARK PLACE CONDOMINIUM
SEDONA ARIZONA

AMENDED AMENDED FINAL PLAT
DETAIL VIEW - BUILDING 108

JOB NO. 03181
DATE: APRIL 07
SCALE: 1"=10'
DRAWN: MNJ
DESIGN: AHB/MNJ
CHECKED: AHB/EGW

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SHEET 15 OF 21

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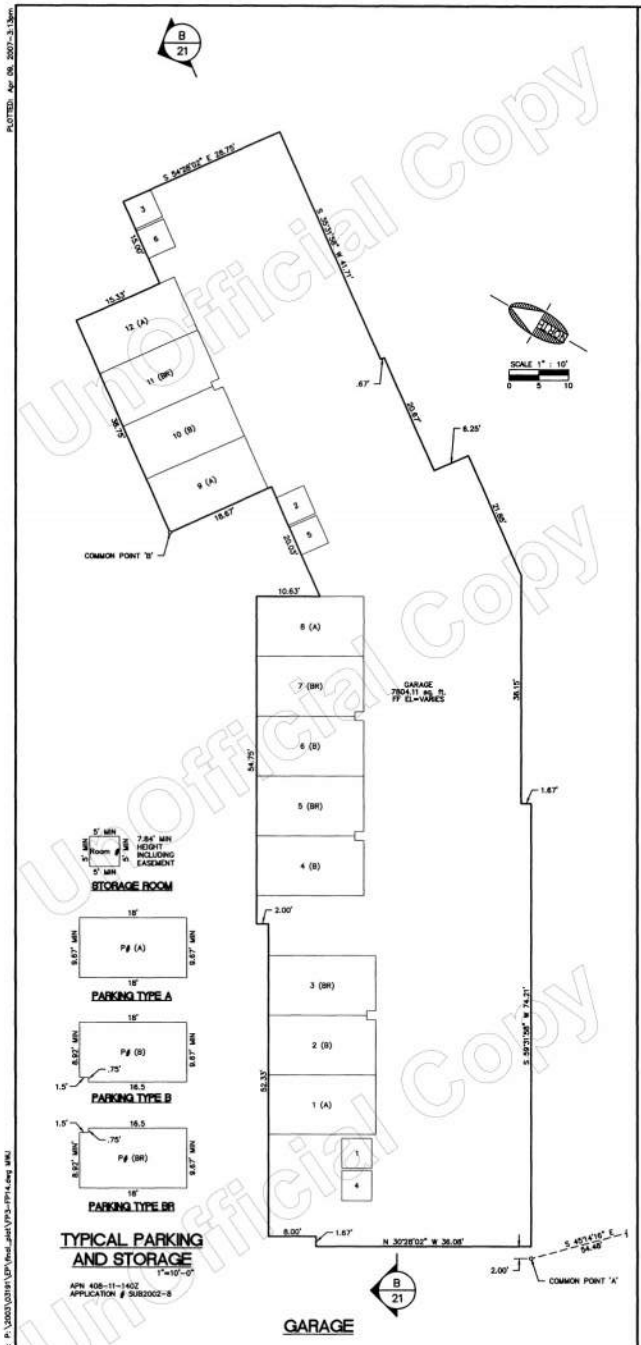

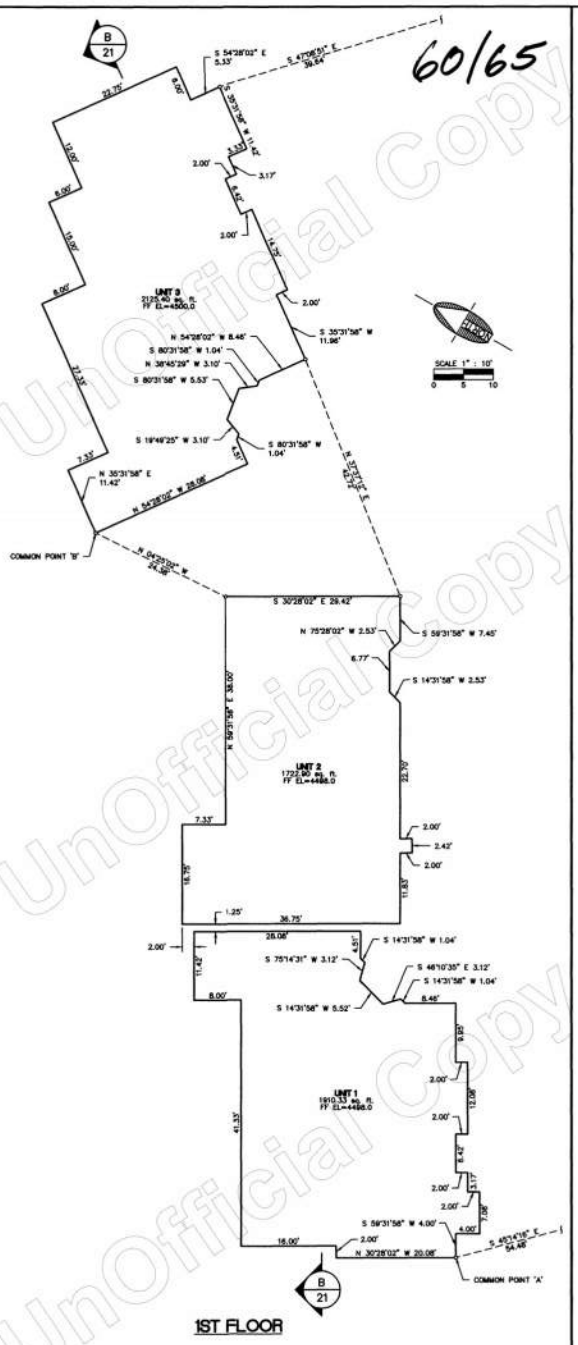

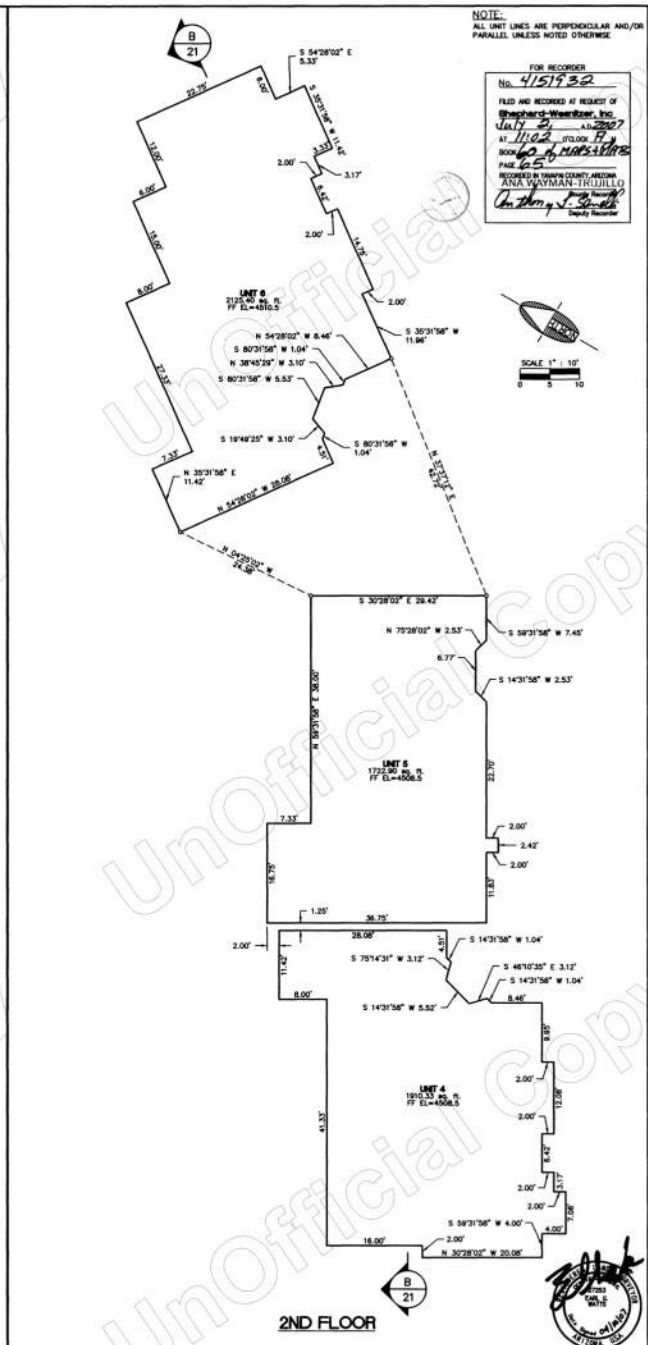

SEDONA ARIZONA
PARK PLACE CONDOMINIUM
AMENDED AMENDED FINAL PLAT
DETAIL VIEW - BUILDING 109
JOB NO. 0319
DATE: APRIL 07
SCALE: 1"=10'
DRAWN: MWJ
DESIGN: AVB/AWJ
CHECKED: AVB/ASW
75 Kallof Place
Sedona, AZ 86336
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928.282.2038 fax
www.swiaz.com
Shephard / Wesnitzer, Inc.

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SHEET 16 OF 21

FILE: P:\2003\03191\DP\final_plat\VP3-FP14.dwg MWJ
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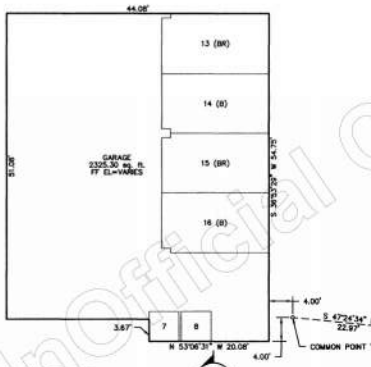
60/66

NOTE:
ALL UNIT LINES ARE PERPENDICULAR AND/OR PARALLEL UNLESS NOTED OTHERWISE

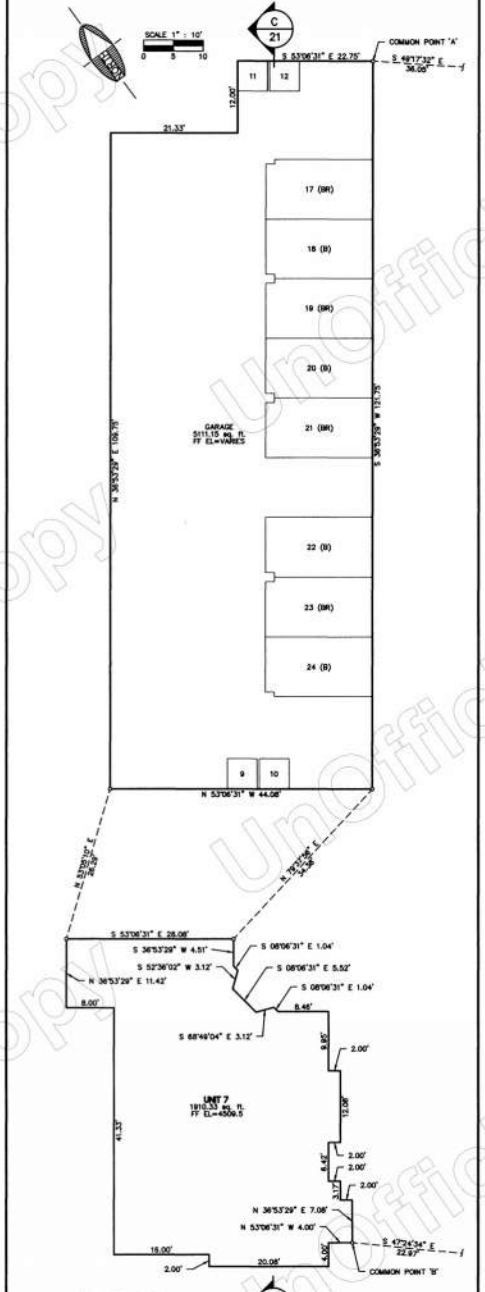
TYPICAL PARKING AND STORAGE

1"=10'-0"

APN 408-11-140Z
APPLICATION # SUB2002-8



GARAGE



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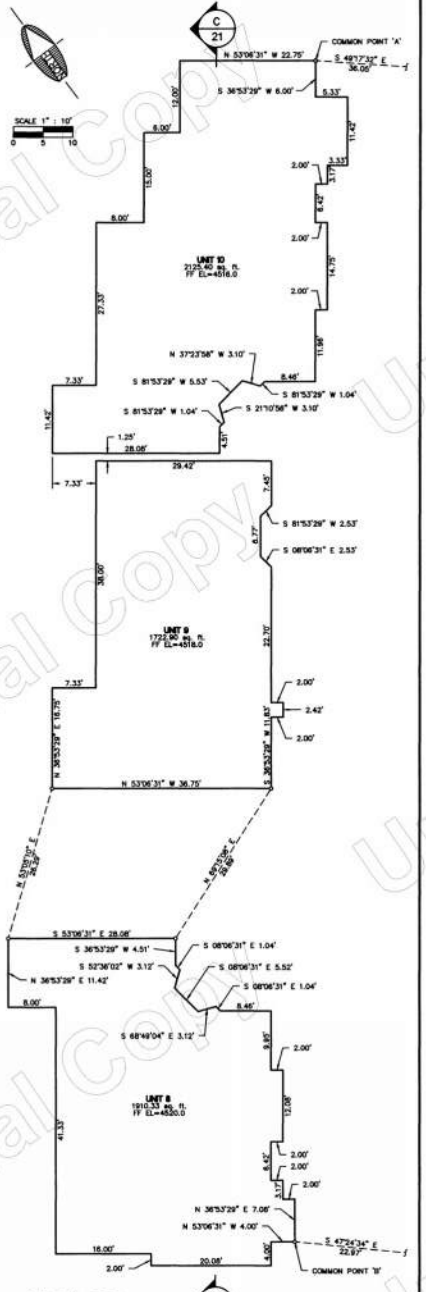

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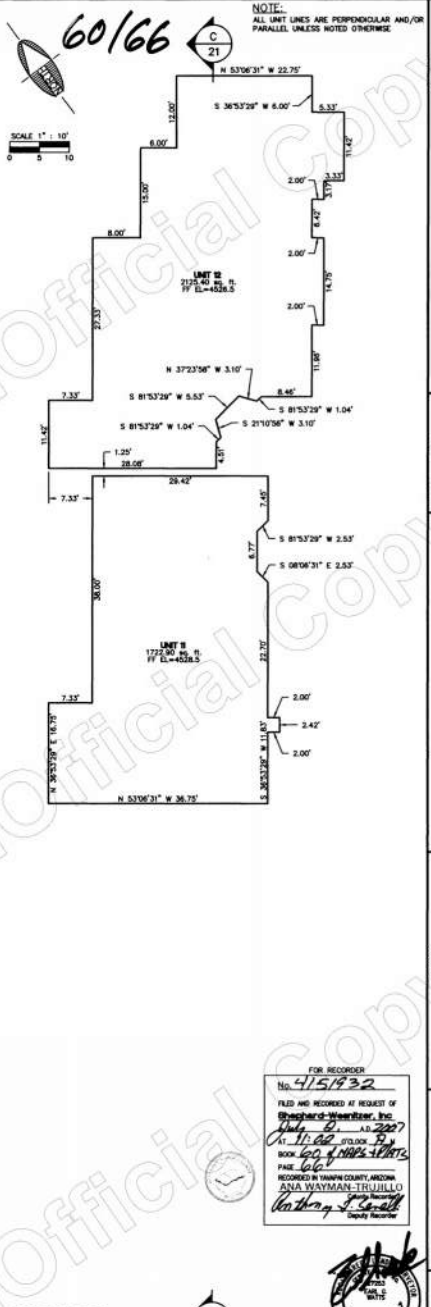

3RD FLOOR

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Deputy Recorder

PARK PLACE CONDOMINIUM
SEDONA, ARIZONA

AMENDED AMENDED FINAL PLAT
DETAIL VIEW - BUILDING 110

JOB NO.	0319
DATE:	APRIL '07
SCALE:	1"=10'
DRAWN:	MNU
DESIGN:	ANB/MNU
CHECKED:	ANB/KSW

REVISIONS

NO.	DESCRIPTION	DATE	BY

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SHEET 17 OF 21

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NOTE:
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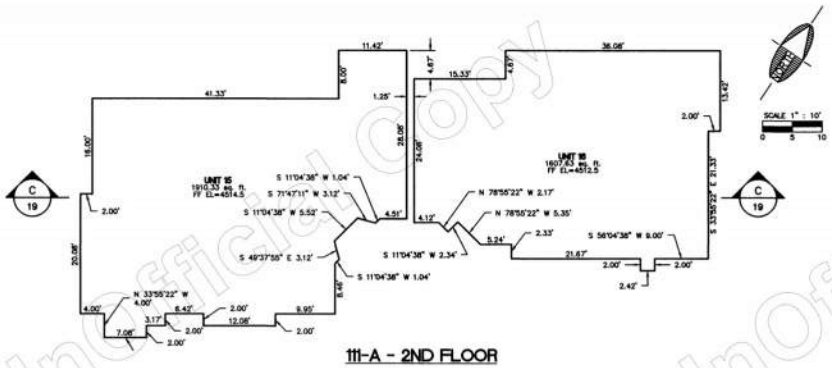
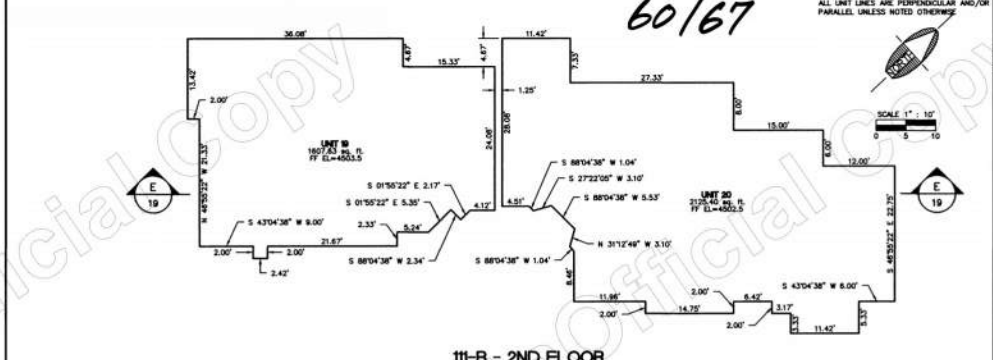
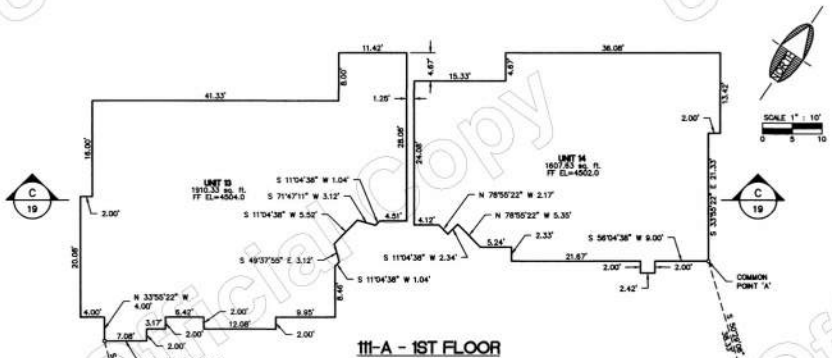


111-A - 2ND FLOOR



111-B - 2ND FLOOR



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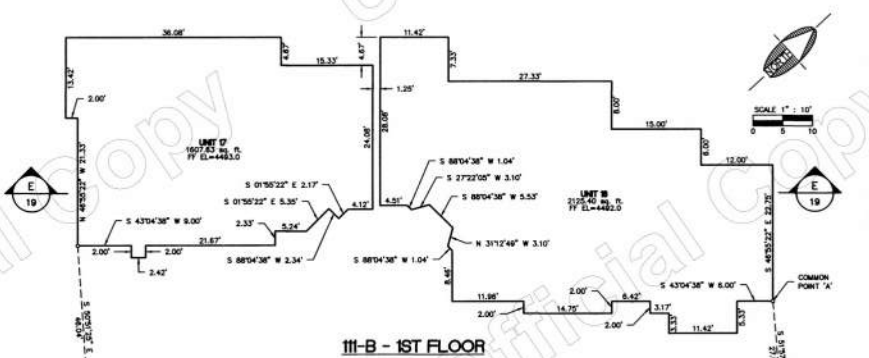
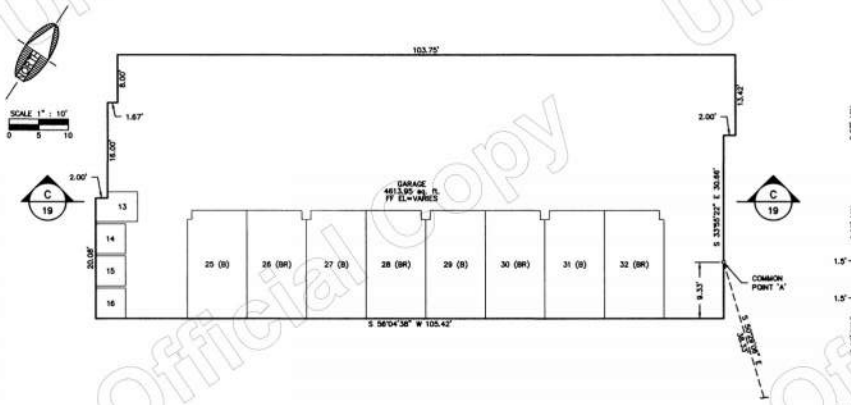
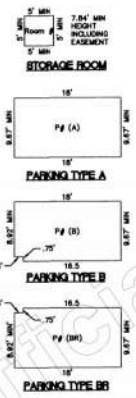


111-B - 1ST FLOOR

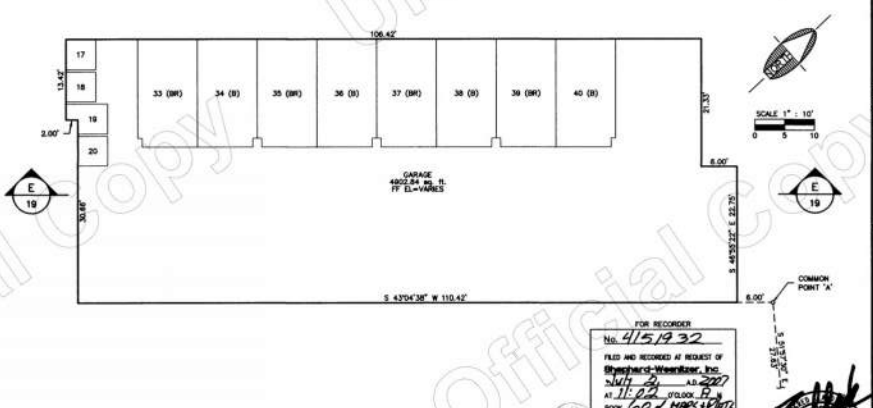


111-A - GARAGE



TYPICAL PARKING AND STORAGE
1"=10'-0"

APN 408-11-140Z
APPLICATION # SUB2002-8



111-B - GARAGE

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PAGE 67
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ANA WYMAN-TRUJILLO
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PARK PLACE CONDOMINIUM
SEDONA ARIZONA

AMENDED AMENDED FINAL PLAT
DETAIL VIEW - BUILDINGS 111-A AND 111-B

APN NO. 037P
DATE: APRIL 07
SCALE: 1"=10'
DRAWN: MWJ
DESIGN: AHB/MWJ
CHECKED: AHB/TDW

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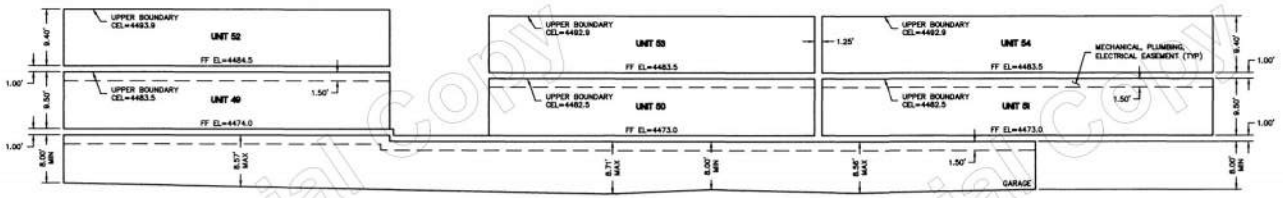
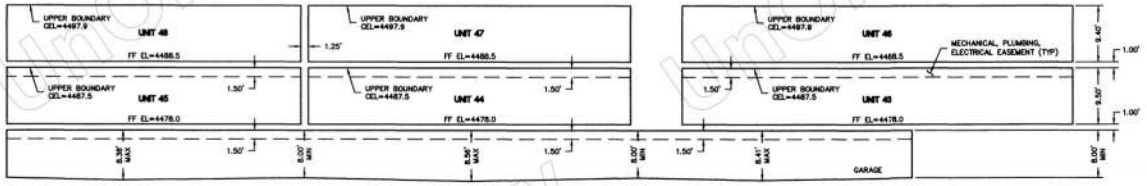
FILE: P:\2003\03191\DP\final_plat\DP3-FP14.dwg MWJ

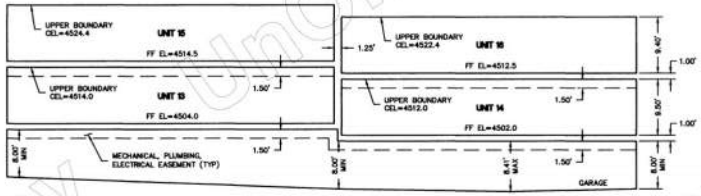
60168



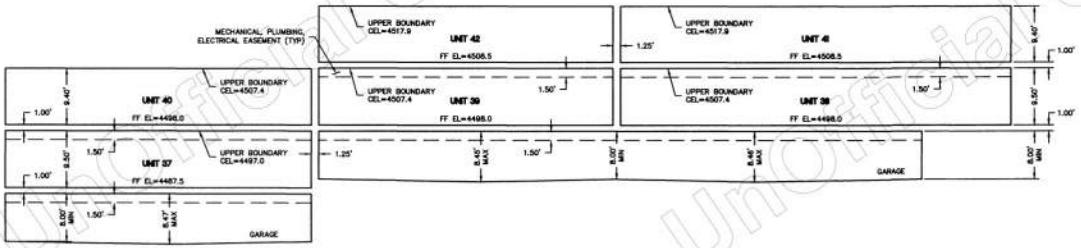
BUILDING 100 - SECTION (A / 5) 1"=10'



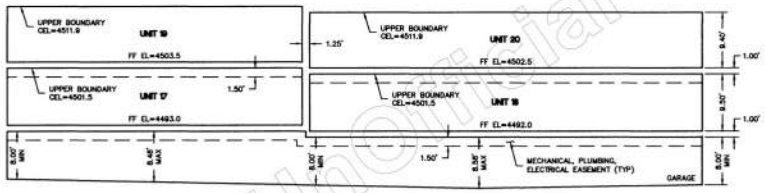
BUILDING 101 - SECTION (B / 6) 1"=10'



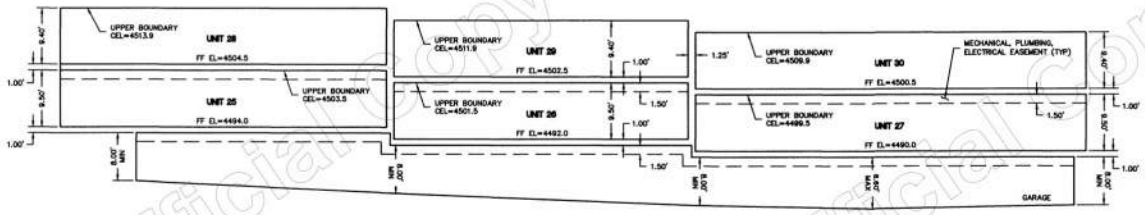
BUILDING 111-A - SECTION (C / 18) 1"=10'



BUILDING 102 - SECTION (D / 7) 1"=10'



BUILDING 111-B - SECTION (E / 18) 1"=10'



BUILDING 103-A - SECTION (F / 8) 1"=10'

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PAGE 68
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ANA WAYMAN-TRUJILLO
County Recorder
Deputy Recorder

APN 408-11-140Z
APPLICATION # SUB2002-8

SEDONA ARIZONA

PARK PLACE CONDOMINIUM

AMENDED AMENDED FINAL PLAT
BUILDING SECTIONS

JOB NO:	03191
DATE:	APRIL 07
SCALE:	AS SHOWN
DRAWN:	MWJ
DESIGN:	AHB/MWJ
CHECKED:	EGW

75 Kallof Place
Sedona, AZ 86336
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SHEET 19 OF 21

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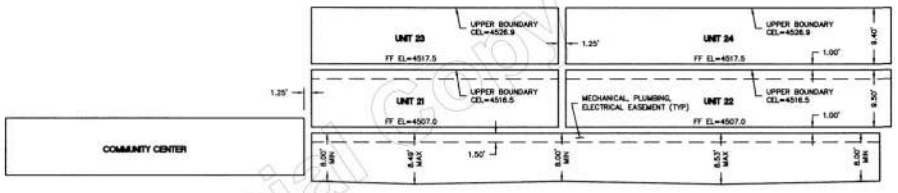
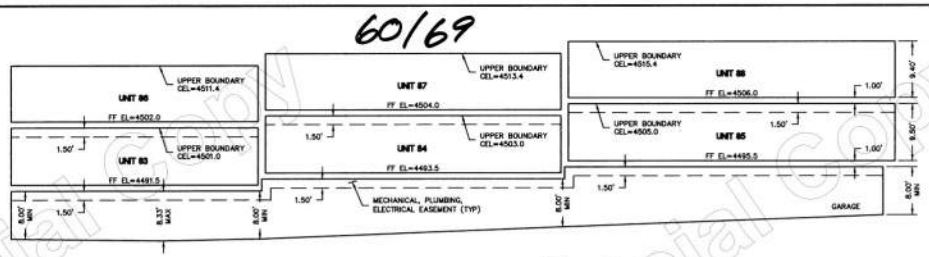
FILE: P:\2003\03191\GP\final_plat\03191-FP-SECTIONS.dwg MWJ

60/69



BUILDING 104 - SECTION 1"=10' (A / 10)



BUILDING 106 - SECTION 1"=10' (B / 13)

FOR RECORDER
No. 4157432
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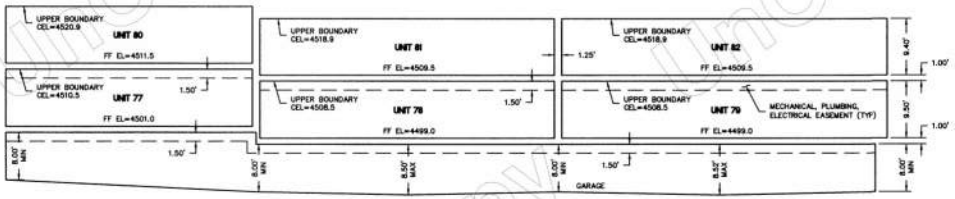
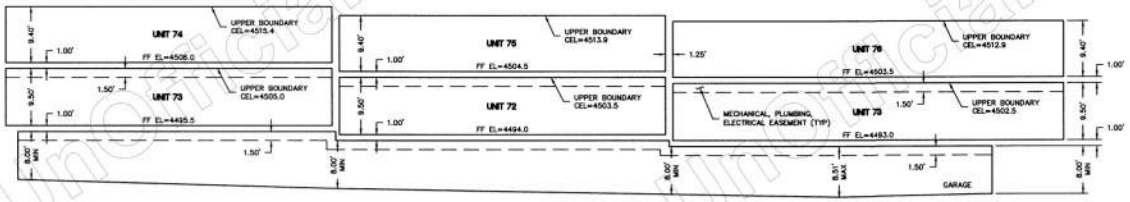
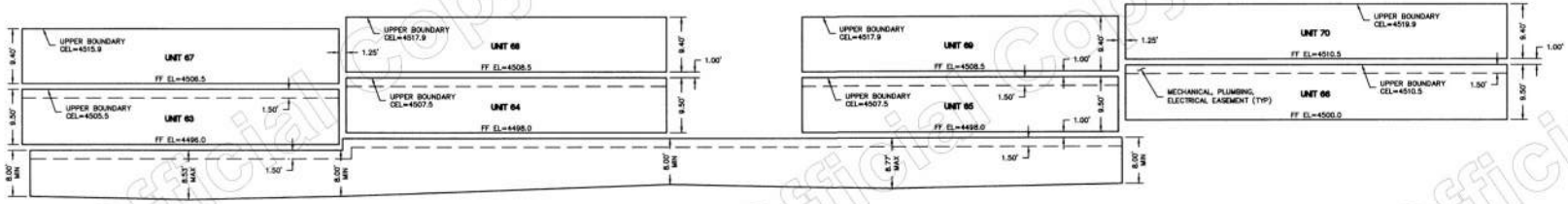
July 21 A.D. 2007
at 11:22 o'CLOCK A M
BOOK 66 OF MAPS AND PLATS
PAGE 69
RECORDED IN YAVAPAI COUNTY, ARIZONA
ANA WYMAN Ex-Officio
Deputy Recorder



BUILDING 105-A - SECTION 1"=10' (C / 11)



BUILDING 105-B - SECTION 1"=10' (D / 12)



BUILDING 107 - SECTION 1"=10' (E / 14)

APN 408-11-140Z
APPLICATION # SUB2002-8

SEDONA ARIZONA

PARK PLACE CONDOMINIUM

AMENDED AMENDED FINAL PLAT
BUILDING SECTIONS

JOB NO.	0319
DATE:	APRIL 07
SCALE:	AS SHOWN
DRAWN:	MWJ
DESIGN:	AHB/MWJ
CHECKED:	EEW

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Sedona, AZ 86336
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SHEET 20 OF 21

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60/70

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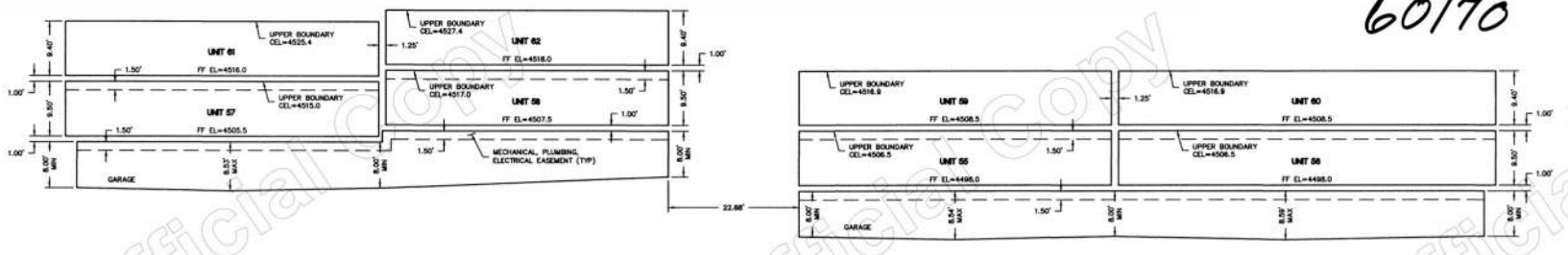
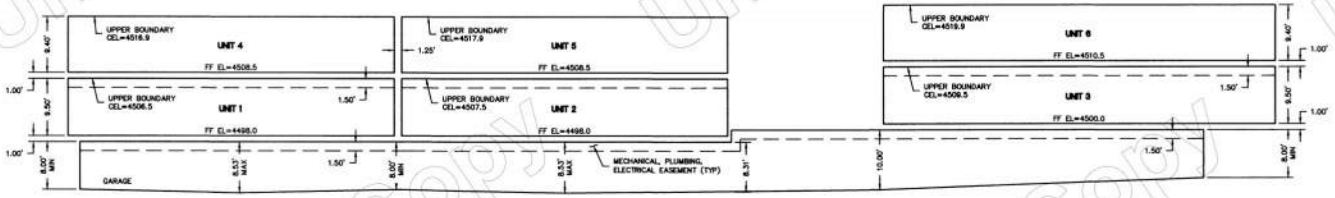
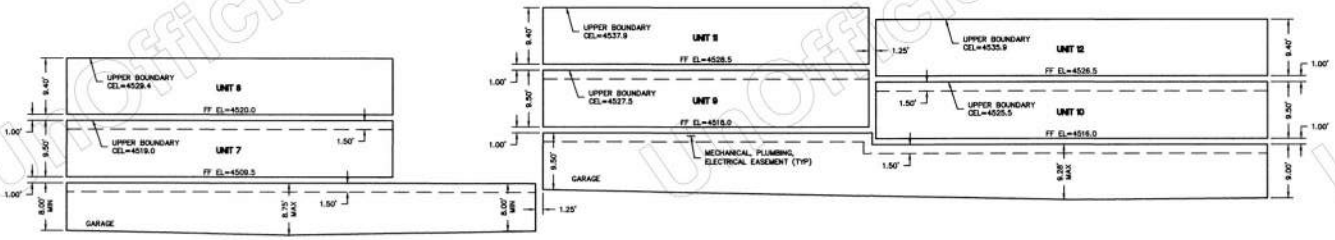
A.D. 2007
AT 11:02 O'CLOCK P.M.
BOOK 60 OF MAPS & PLATS
PAGE 70
RECORDED IN YAVAPAI COUNTY, ARIZONA
ANA WAYMAN-TRUJILLO
Deputy Recorder



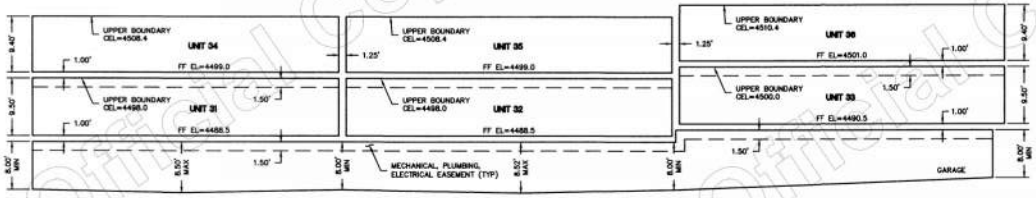
BUILDING 108 - SECTION (A / 15) 1"=10'



BUILDING 109 - SECTION (B / 16) 1"=10'



BUILDING 110 - SECTION (C / 17) 1"=10'



BUILDING 103-B - SECTION (D / 9) 1"=10'

APN 408-11-140Z
APPLICATION # SUB2002-8

SEDONA ARIZONA

PARK PLACE CONDOMINIUM

AMENDED AMENDED FINAL PLAT
BUILDING SECTIONS

JOB NO. 0319
DATE: APRIL 07
SCALE: AS SHOWN
DRAWN: MNJ
DESIGN: ANS/MNJ
CHECKED: EDW

75 Kallof Place
Sedona, AZ 86336
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NO.	DESCRIPTION	REVISIONS	DATE	BY

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SHEET 21 OF 21

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Ana Wayman-Trujillo, Recorder
OFFICIAL RECORDS OF YAVAPAI COUNTY
PARK PLACE SEDONA LLC RES
B-4335 P-122
11/16/2005 10:58A
77.00 3942286

B-4335 P-122
Page: 1 of 68
RES 3942286

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Donald E. Dyekman
Mariscal, Weeks, McIntyre & Friedlander, P.A.
2901 N. Central Avenue
Suite 200
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CONDOMINIUM DECLARATION

FOR

PARK PLACE CONDOMINIUM

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CONDOMINIUM DECLARATION
FOR
PARK PLACE CONDOMINIUM

This Condominium Declaration for Park Place Condominium, is made as of this 10th day of November, 2005 by Park Place Sedona, LLC, an Arizona limited liability company ("Park Place Sedona") and Park Place Residences Sedona, LLC, an Arizona limited liability company ("Park Place Residences").

INTRODUCTION

A. Park Place Sedona is the owner of fee title to that certain real property situated in the City of Sedona, Arizona, which is more particularly described in Exhibit A (the "Parcel"). Park Place Sedona has granted to Park Place Residences an option to purchase completed Units (as defined in Section 1.49) to be constructed by Park Place Sedona. Park Place Sedona and Park Place Residences desire to submit the Parcel to a condominium form of ownership in accordance with the Condominium Act and this Declaration.

B. Park Place Sedona and Park Place Residences intend that all Owners, Occupants, First Mortgagees and other Persons acquiring an interest in the Condominium shall at all times enjoy the benefits of, and shall hold their interest subject to this Declaration, which is Recorded in furtherance of establishing a general plan of condominium ownership for the Condominium, and for establishing rules for the use, occupancy, management, and enjoyment thereof, all for the purpose of enhancing and protecting the value, desirability and attractiveness of the Condominium and the quality of life for the Owners, Occupants and Lessees.

ARTICLE 1

DEFINITIONS

As used in this Declaration, the terms defined in this Article shall have meanings specified in this Article. Capitalized terms used in this Declaration but not otherwise defined in this Declaration shall have the meanings specified for such terms in the Arizona Condominium Act, A.R.S. §33-1201, et seq., as amended from time to time.

1.1 "Additional Property" means the real property located in Yavapai County, Arizona, which is described on Exhibit B attached to this Declaration, together with all buildings and other Improvements located thereon and all easements, rights and appurtenances belonging thereto.

1.2 "Allocated Interests" means the undivided interests in the Common Elements, the Common Expenses Liability and the votes in the Association allocated to each Unit by this Declaration.

1.3 "Articles" means the Articles of Incorporation of the Association, as amended from time to time.

1.4 "Assessments" means the Regular Assessments, Special Assessments, Individual Expense Assessments, Enforcement Assessments and User Fee Assessments levied pursuant to Article 7.

1.5 "Assessment Lien" means the lien granted to the Association by the Condominium Act to secure the payment of Assessments, monetary penalties and other fees and charges owed to the Association.

1.6 "Association" means Park Place Condominium Association, an Arizona nonprofit corporation, its successors and assigns.

1.7 "Balcony" means a portion of the Common Elements designated as a Balcony on the Plat.

1.8 "Board of Directors" means the Board of Directors of the Association.

1.9 "Building" means a building in which Units are located as shown on the Plat.

1.10 "Bylaws" means the Bylaws of the Association, as amended from time to time.

1.11 "City" means the City of Sedona, Arizona, a municipal corporation.

1.12 "Collection Costs" means all costs, fees, charges and expenditures (including, without limitation, attorneys' fees, court costs, filing fees and recording fees) incurred by the Association in collecting and/or enforcing payment of Assessments, monetary penalties, late fees, interest or other amounts payable to the Association pursuant to this Declaration.

1.13 "Common Elements" means all portions of the Condominium other than the Units.

1.14 "Common Expenses" means the actual or estimated costs or expenses incurred or to be incurred by the Association or financial liabilities of the Association including, but not limited to, the following:

(a) the cost of maintenance, management, operation, repair and replacement of the Common Elements and all other areas within the Condominium which are maintained by the Association;

(b) the cost of management and administration of the Association, including, but not limited to, compensation paid by the Association to managers, accountants, attorneys, architects and employees;

(c) the cost of any utilities, trash pickup and disposal, landscaping, and other services benefiting the Unit Owners and their Units to the extent such services are paid for by the Association;

(d) the cost of fire, casualty, liability, worker's compensation and other insurance maintained by the Association as provided in this Declaration;

(e) reasonable reserves as deemed appropriate by the Board or required by the Condominium Documents;

(f) the cost of bonding of the directors, officers and employees of the Association, any professional managing agent or any other person handling the funds of the Association;

(g) all real property taxes or assessments levied against the Condominium as a whole or separately against the Common Elements;

(h) amounts paid by the Association for the discharge of any lien or encumbrance levied against the Common Elements or portions thereof;

(i) any cost incurred by the Association in furtherance of the purposes of the Association, the discharge of the obligations imposed on the Association by the Condominium Documents or the Condominium Act or the exercise by the Association of any of the powers or rights granted to the Association by the Condominium Documents or the Condominium Act.

1.15 "Common Expense Liability" means the percentage of undivided interests in the Common Expenses allocated to each Unit by Section 2.6.

1.16 "Condominium" means the Parcel, together with the Building and all other Improvements located thereon.

1.17 "Condominium Act" means the Arizona Condominium Act, A.R.S. §33-1201, et seq., as amended from time to time, or any successor statute which governs the creation and management of condominiums.

1.18 "Condominium Documents" means this Declaration and the Articles, Bylaws, and Rules.

1.19 "Declarant" means, individually and collectively, Park Place Sedona, LLC, an Arizona limited liability company and Park Place Residences Sedona, LLC, an Arizona limited liability company and their successors and any Person to whom either of them may transfer any Special Declarant Right by a Recorded instrument.

1.20 "Declaration" means this Condominium Declaration for Park Place Condominium, as amended from time to time.

1.21 "Development Rights" means any right or combination of rights to do any of the following:

(a) Add real estate to the Condominium;

(b) Create easements, Units, Common Elements or Limited Common Elements within the Condominium;

(c) Subdivide Units, convert Units into Common Elements or convert Common Elements into Units;

(d) Make the Condominium part of a larger condominium or planned community;

(e) Amend the Declaration during the Period of Declarant Control to comply with the Condominium Act or any other applicable law or to correct any error or inconsistency in the Declaration if the amendment does not adversely affect the rights of any Unit Owner;

1.22 "Eligible Insurer or Guarantor" means an insurer or governmental guarantor of a First Mortgage who has requested notice of certain matters in accordance with Section 12.1.

1.23 "Eligible Mortgage Holder" means a First Mortgagee who has requested notice of certain matters from the Association in accordance with Section 12.1.

1.24 "Enforcement Assessment" means an assessment levied pursuant to Section 7.5.

1.25 "First Mortgage" means any mortgage or deed of trust on a Unit with first priority over any other mortgage or deed of trust on the same Unit.

1.26 "First Mortgagee" means the holder of any First Mortgage.

1.27 "Garage" means a portion of the Common Elements identified as a Garage on the Plat.

1.28 "Identifying Number" means the number shown on the Plat that identifies a particular Unit.

1.29 "Improvement" means any physical structure, fixture or facility existing or constructed, placed, erected or installed on the land included in the Condominium, including, but not limited to, buildings, private drives, paving, fences, walls, sculptures, signs, hedges, plants, trees and shrubs of every type and kind.

1.30 "Individual Expense Assessment" means an assessment levied by the Association pursuant to Section 7.4.

1.31 "Invitee" means any person whose presence within the Condominium is approved by or is at the request of a particular Owner, Lessee or Occupant, including, without limitation, family members, guests, employees and contractors.

1.32 "Lessee" means any Person who is the tenant or lessee under a written lease of a Unit.

1.33 "Limited Common Elements" means a portion of the Common Elements specifically designated in this Declaration as a Limited Common Element and allocated by this Declaration or by operation of the Condominium Act for the exclusive use of one or more but fewer than all of the Units.

1.34 "Member" means a Person who is or becomes a member of the Association.

1.35 "Occupant" means a person, other than an Owner, in possession of a Unit at the request of or with the consent of the Owner.

1.36 "Owner" or "Unit Owner" means the record owner, whether one or more Persons, of beneficial or equitable title (and legal title if the same has merged with the beneficial or equitable title) to the fee simple interest of a Unit. Unit Owner shall not include Persons having an interest in a Unit merely as security for the performance of an obligation, or a lessee or tenant of a Unit. Unit Owner shall include a purchaser under a contract for the conveyance of real property, a contract for deed, a contract to convey, an agreement for sale or any similar contract subject to A.R.S. § 33-741, et seq. Unit Owner shall not include a purchaser under a purchase contract and receipt, escrow instructions or similar executory contracts which are intended to control the rights and obligations of the parties to executory contracts pending the closing of a sale or purchase transaction. In the case of Units the fee simple title to which is vested in a trustee pursuant to A.R.S. § 33-801, et seq., the Trustor shall be deemed to be the Unit Owner.

1.37 "Parcel" means the land described on Exhibit A attached hereto, together with all Improvements situated thereon and all easements and rights appurtenant thereto.

1.38 "Parking Space" means a portion of the Common Elements intended for the parking of a single motor vehicle and identified on the Plat as a parking space. The term "Parking Space" shall not include any space within a Garage.

1.40 "Period of Declarant Control" means the time period commencing on the date this Declaration is Recorded and ending on the earlier of: (a) ninety (90) days after the conveyance of seventy-five percent (75%) of the Units which may be created to Owners other than the Declarant; or (b) four (4) years after all Declarants have ceased to offer Units for sale in the ordinary course of business.

1.41 "Person" means a natural person, corporation, limited liability company, business trust, estate, trust, partnership, association, joint venture, government, governmental subdivision or agency, or other legal or commercial entity.

1.42 "Plat" means the condominium plat for Park Place Condominium recorded in Book 55, Page 14, in the records of the County Recorder of Yavapai County, Arizona, and any amendments, supplements or corrections thereto.

1.43 "Purchaser" means any Person (other than the Declarant) who becomes a Unit Owner, except for a Person who purchases a Unit and then leases it to the Declarant for use in connection with the sale of other Units, or a Person who, in addition to purchasing a Unit, is assigned any Special Declarant Right.

1.44 "Recording" means placing an instrument of public record in the office of the County Recorder of Yavapai County, Arizona and **"Recorded"** means having been so placed of public record.

1.45 "Regular Assessment" means the assessment levied against the Units pursuant to Section 7.2.

1.46 "Rules" means the rules and regulations adopted by the Board of Directors, as amended from time to time.

1.47 "Special Declarant Rights" means any right or combination of rights to do any of the following:

(a) Construct Improvements provided for in this Declaration or shown on the Plat;

(b) Exercise any Development Right;

(c) Maintain sales offices, management offices, models, and signs advertising the Condominium;

(d) Use easements through the Common Elements for the purpose of making Improvements within the Condominium;

(e) Appoint or remove any officer of the Association or any member of the Board of Directors during the Period of Declarant Control;

(f) Exercise the rights described in Section 3.4.

1.48 "Storage Space" means a portion of the Common Elements identified as a Storage Space on the Plat.

1.49 "Unit" means a portion of the Condominium designated for independent ownership or occupancy. The boundaries of each Unit are described in Section 2.5 and are shown on the Plat. No Unit shown on the Plat (other than the Units described in Section 2.4) shall be subject to this Declaration until such Unit has been annexed and subjected to this Declaration in accordance with the provisions of Section 2.10.

1.50 "User Fee Assessment" means any assessment levied pursuant to Section 7.6.

ARTICLE 2

SUBMISSION OF PROPERTY; UNIT BOUNDARIES; ALLOCATION OF PERCENTAGE INTERESTS, VOTES AND COMMON EXPENSE LIABILITIES

2.1 Submission of Property. The Declarants hereby submit the Parcel to the provisions of the Condominium Act for the purpose of creating a condominium in accordance with the provisions of the Condominium Act and hereby declares that the Parcel shall be held and conveyed subject to the terms, covenants, conditions and restrictions set forth in this Declaration. The Declarants designate each Unit for separate ownership or occupancy. Declarants further declare that all of the easements, restrictions, conditions and covenants in this Declaration shall run with the Parcel and shall be binding upon and inure to the benefit of the Declarants and all Unit Owners, Lessees and Occupants and all other Persons having or acquiring any right, title or interest in the Condominium or any part thereof, their heirs, successors, successors in title and assigns. Each Person who acquires any right, title or interest in the Condominium, or any part thereof, agrees to abide by all of the provisions of the Condominium Documents. This Declaration shall be binding upon and shall be for the benefit of and enforceable by the Association. Declarants make no warranties or representations, express or implied, as to the binding effect or enforceability of all or any portion of the Condominium Documents, or as to the compliance of any of the provisions of the Condominium Documents with public laws, ordinances and regulations applicable thereto.

2.2 Name of Condominium. The name of the Condominium created by this Declaration is Park Place Condominium.

2.3 Name of Association. The name of the Association is Park Place Condominium Association.

2.4 Identifying Numbers of Units. The Condominium will initially contain a total of fourteen (14) Units. The Identifying Numbers of the Units are 7 through 20, inclusive. Additional Units may be added to the Condominium by the annexation of all or any part of the Additional Property pursuant to Section 2.10.

2.5 Unit Boundaries.

2.5.1 The boundaries of each Unit shall be as follows:

(a) The vertical boundaries are the interior unfinished surfaces of the perimeter walls, doors and windows of the Unit;

(b) The lower horizontal boundary shall be the finished floor of the Unit;

(c) The upper horizontal boundary shall be a horizontal plane having an elevation equal to the elevation of the highest point of the finished ceiling of the Unit.

2.5.2 Each Unit shall include openings and outlets of all utility installations in the Unit. All lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces of the walls or floor are part of the Unit, and all other portions of the walls and floor are part of the Common Elements. All spaces, interior partitions and other fixtures and improvements (including, but not limited to, chutes, flues, wires, conduits, heating and air conditioning unit, hot water heaters and gas, cable television, water and electric pipes, lines or meters) within the boundaries of a Unit and which serve only the Unit are part of the Unit, and any such fixtures or improvements located within the boundaries of a Unit but which serve more than one Unit are part of the Common Elements.

2.5.3 The location and dimensions of the boundaries of the Units as shown on the Plat are based on architectural drawings and are approximate. The actual location and dimensions of the boundaries of the Units may vary from the location and dimensions of the boundaries as shown on the Plat. The actual physical location and dimensions of the boundaries of a Unit, as initially constructed, or as reconstructed following the damage or destruction of such walls, shall be considered the location and dimensions of the boundaries of the Units for purposes of this Declaration regardless of any variances from the location and dimensions of the boundaries as shown on the Plat, except for the allocation to each Unit of a percentage undivided interest in the Common Elements and in the Common Expenses pursuant to Section 2.6 based on the square footage of the Unit as shown on the Plat.

2.5.4 Declarant reserves the right to relocate the boundaries between adjoining Units owned by the Declarant and to reallocate each such Unit's Common Element Interest, votes in the Association and Common Expense Liabilities subject to and in accordance with A.R.S. § 33-1222.

2.5.5 In the event of any inconsistency or conflict between the provisions of this Subsection 2.5.1 and the Plat in regard to the description of the boundaries of the Unit, this Section shall control.

2.6 Allocation of Common Element Interest and Common Expense Liabilities. Each Unit is allocated a percentage of undivided interest in the Common Elements and in the Common Expenses calculated by dividing the square footage of the Unit by the total square footage of the Units according to the square footage of each Unit as shown on the Plat, rounded to the nearest whole number. The percentage of undivided interests in the Common Elements and in the Common Expenses are set forth on Exhibit C attached hereto. The percentage of interest of each Unit in the Common Elements shall be an undivided interest, and the Common Elements shall be owned by the Unit Owners as tenants in common in accordance with their respective percentages of interest. The ownership of each Unit shall not be conveyed separate from the percentage of interest in the Common Elements allocated to the Unit. The undivided percentage of interest in the Common Elements allocated to any Unit shall always be deemed conveyed or encumbered with any conveyance or encumbrance of that Unit, even though the

legal description in the instrument conveying or encumbering the Unit may refer only to the fee title to the Unit. Except as permitted by the Condominium Act, the Common Elements are not subject to partition, and any purported conveyance, encumbrance, judicial sale or other voluntary or involuntary transfer of an undivided interest in the Common Elements made without the Unit to which that interest is allocated is void. If any part of the Additional Property is annexed by the Declarant pursuant to Section 2.10, the percentage of undivided interests in the Common Elements and in the Common Expenses of each Unit shall be reallocated so that each Unit's percentage of undivided interests is the percentage obtained by dividing the square footage of the Unit by the total square footage of all of the Units then subject to this Declaration according to the square footage of each Unit as shown on the Plat.

2.7 Allocation of Votes in the Association. The total votes in the Association shall be equal to the number of Units subject to this Declaration. The votes in the Association shall be allocated equally among all Units with each Unit having one (1) vote.

2.8 Allocation of Limited Common Elements.

2.8.1 The following portions of the Common Elements are Limited Common Elements allocated to the exclusive use of one or more, but less than all, of the Units as follows:

(a) Any chute, flue, pipe, duct, wire, conduit or other fixture (including, but not limited to, heating and air conditioning units and related equipment and natural gas, cable television, water and electric pipes, lines or meters), located outside of the boundaries of a Unit, which serve only one Unit are a Limited Common Element allocated solely to the Unit served;

(b) If a chute, flue, pipe, duct, wire, conduit or other fixture (including, but not limited to, hot water heaters, heating and air conditioning units and related equipment and natural gas, cable television, water and electric pipes, lines or meters) lies partially within and partially outside the designated boundaries of a Unit, the portion outside the boundaries of the Unit which serve only the Unit is a Limited Common Element allocated solely to the Unit, the use of which is limited to the Unit served;

(c) All doors and windows in the boundary walls of a Unit are Limited Common Elements allocated to the Unit. The glazing, sashes, frames, sills, thresholds, hardware, flashing and other components of the doors and windows are part of the doors and windows allocated as Limited Common Elements.

(d) Each Unit is allocated the Balcony adjoining the Unit as shown on the Plat. The boundaries of each Balcony shall be as follows: (i) the lower boundary shall be the unfinished floor of the Balcony; (ii) the upper boundary shall be the unfinished

ceiling of the Balcony; and (iii) the vertical boundaries shall be vertical planes corresponding to the exterior wall of the Building and the inside surface of the railing of the Balcony extended to the upper and lower boundaries.

(e) Each Unit is allocated the Patio adjoining the Unit as shown on the Plat. The boundaries of each Patio should be as follows: (i) the lower boundary shall be the unfinished concrete floor of the Patio; (ii) the upper boundary shall be a horizontal plane having an elevation equal to the elevation of the finished ceiling of the Unit to which the Patio is allocated; and (iii) the vertical boundaries shall be the vertical planes corresponding to the exterior wall of the Building in which the Unit is located and interior unfinished surfaces of the fence enclosing the Patio.

2.8.2 Each Owner shall have the right to the exclusive use and possession of the Limited Common Elements allocated to his Unit, subject to the rights granted to the Declarant or the Association by the Condominium Documents. All Limited Common Elements must be used in accordance with the Declaration and the Rules. An Owner of a Unit to which a Parking Space has been allocated as a Limited Common Element may lease such parking space to another Owner, Lessee or Occupant, but no Parking Space shall be leased to any Person who is not an Owner, Lessee or Occupant.

2.8.3 A Limited Common Element may be reallocated by an amendment to this Declaration. The amendment shall be executed by the Owners between or among whose Units the allocation is made, shall state the manner in which the Limited Common Elements are to be reallocated and, before recording the amendment, shall be submitted to the Board of Directors. Unless the Board of Directors determines within thirty (30) days that the proposed amendment is unreasonable, which determination shall be in writing and specifically state the reasons for disapproval, the Association shall execute its approval and record the amendment.

2.8.4 So long as the Declarant owns any Unit, the Declarant shall have the right to allocate as a Limited Common Element any part of the Common Elements (including, but not limited to, Garages, Parking Spaces and Storage Spaces) which has not previously been allocated as a Limited Common Element. Any such allocation shall be made by an amendment to this Declaration executed by the Declarant. After the Declarant no longer owns any Unit, the Board of Directors shall have the right, with the approval of Members holding at least sixty-seven percent (67%) of the total number of votes entitled to be cast by Members, to allocate as a Limited Common Element any portion of the Common Elements not previously allocated as a Limited Common Element. Any such allocation by the Board of Directors shall be made by an amendment to this Declaration and an amendment to the Plat if required by the Condominium Act.

2.9 Restricted Access. An electronically activated access gate will be installed at the entrance to the Condominium in order to limit access and provide more privacy for the Unit Owners and the other Residents and Lessees of the Units. The access gate shall be part of the Common Elements and shall be maintained, repaired and replaced by the Association. Each

Owner, Lessee and Resident acknowledges and agrees that the access gate does not guarantee the safety or security of the Owners, Lessees or Residents or their guests or guarantee that no unauthorized person will gain access to the Condominium. Each Owner, Lessee and Resident, and their families, guests and invitees, acknowledge that the access gate may restrict or delay entry into, or access to the Condominium by police, fire department, ambulances and other emergency vehicles or personnel and agree to assume the risk that the access gate or door will restrict or delay entry into, or access within the Condominium by police, fire department, ambulances or other emergency vehicles or personnel. Neither the Declarants, the Association nor any director, officer, agent or employee of the Declarants or the Association shall be liable to Owner, Lessee or Resident or their families, guests or invitees for any claims or damages resulting, directly or indirectly, from the existence, operation or maintenance of the access gate

2.10 Expansion of the Condominium.

2.10.1 Declarant hereby expressly reserves the right, but not the obligation, to expand the Condominium created by this Declaration, without the consent of the Association or any other Unit Owner, by annexing and submitting to this Declaration all or any portion of the Additional Property. The Declarant shall exercise its right to expand the Condominium by executing and Recording an amendment to this Declaration containing the following: (a) a legal description of the portion of the Additional Property being annexed; (b) the number of Units being added by the annexation and the Identifying Number assigned to each new Unit; (c) a description of the Common Elements and Limited Common Elements created and, in the case of Limited Common Elements, a designation of the Unit to which each Limited Common Element is allocated; (d) a reallocation to each Unit of a percentage of undivided interests in the Common Elements and in the Common Expenses of the Association and in the votes in the Association; (e) a description of any Special Declarant Rights or Development Rights reserved by the Declarant with respect to the Additional Property being annexed. This option to expand the Condominium shall expire seven (7) years from the date of the Recording of this Declaration.

2.10.2 Unless otherwise provided in the amendment adding Additional Property, the effective date of the annexation and the date for reallocating to each Unit a percentage of undivided interests in the Common Elements and in the Common Expenses of the Association and in the votes in the Association shall be the date on which the amendment annexing additional Units is Recorded. An amendment annexing all or any portion of the Additional Property may divide the Additional Property being annexed into separate phases and may provide for different effective dates for the annexation of each phase.

2.10.3 The Additional Property may be added as a whole at one time or in one or more portions at different times, or it may never be added, and there are no limitations upon the order of addition or the boundaries thereof. The Additional Property submitted to the Condominium need not be contiguous, and the exercise of the option as to any portion of the Additional Property shall not bar the further exercise of the option as to any other portions of the Additional Property. There are no limitations on the locations or dimensions of Improvements to be located on the Additional Property. No assurances are made as to what, if any, further Improvements will be made by Declarant on any portion of the Additional Property. Improvements to any Additional Property must be consistent with the Improvements to the

Parcel in terms of quality of construction. All Improvements to the Additional Property must be substantially completed before the portion of Additional Property is added to the Condominium.

2.10.4 The Additional Property, when and if added to the Condominium, shall be subject to the use restrictions contained in this Declaration and shall be subject in all respect to the Condominium Documents.

2.10.5 Declarant makes no assurances as to the exact number of Units which shall be added to the Condominium by annexation of all or any portion of the Additional Property, but the number of Units added by any such annexation shall not exceed 80.

2.10.6 All taxes and other assessments relating to all or any portion of the Additional Property annexed into the Condominium covering any period prior to the time when such portion of the Additional Property is annexed in accordance with this Section shall be the re

ARTICLE 3

EASEMENTS AND DEVELOPMENT RIGHTS

3.1 Utility Easement. There is hereby granted and created an easement upon, across, over and under the Common Elements and the Units for the installation, replacement, repair or maintenance of utility lines and systems, including, but not limited to, natural gas, water, sewer, telephone, electricity and cable television or other communication lines and systems. By virtue of this easement, it shall be expressly permissible for the providing utility or service company, the Association or the Declarant to install and maintain the necessary utility lines, pipes, facilities and equipment on the Common Elements and the Units, but no sewer lines, electrical lines, water lines, or other utility or service lines or facilities may be installed or located on the Common Elements or the Units except as initially designed, approved and constructed by the Declarant or as approved by the Board of Directors. This easement shall in no way affect any other recorded easements on the Common Elements. Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines, telephone, data, or fiber optic lines and cables, or other utility or service lines may be installed or located on the Common Elements except as originally installed by the Declarant or as approved by the Board or allowed by the Rules. The easements in this Section shall in no way affect any other Recorded easements on the Common Elements.

3.2 Easements for Ingress and Egress. There is hereby granted and created easements for ingress and egress for pedestrian traffic over, through and across sidewalks, paths, walks, and lanes that from time to time may exist upon the Common Elements. There is also granted and created an easement for ingress and egress for pedestrian and vehicular traffic over, through and across such driveways as from time to time may be paved and intended for such purposes, except that such easements shall not extend to any Limited Common Elements. Such easements shall run in favor of and be for the benefit of the Owners, Lessees, Occupants and Invitees.

3.3 Unit Owners' Easements of Enjoyment.

3.3.1 Every Owner, Lessee and Occupant shall have a right and easement of enjoyment in and to the Common Elements, which right and easement shall be appurtenant to and shall pass with the title to every Unit, subject to the following provisions:

(a) The right of the Association to adopt reasonable rules and regulations governing the use of the Common Elements, which rules and regulations may require that the guests of any Owner, Lessee or Occupant entitled to use the Common Elements pursuant to this Section 3.3 must be accompanied by a Member, Lessee or Occupant entitled to use the Common Elements pursuant to this Section 3.3, may limit the number of guests who may use the Common Elements at any one time and may restrict the use of the Common Elements by guests to certain specified times..

(b) The right of the Association to convey the Common Elements or subject the Common Elements to a mortgage, deed of trust, or other security interest, if such action is approved by Owners entitled to cast at least eighty percent (80%) of the votes in the Association. Any such action by the Association shall be done in the manner and subject to the limitations set forth in the Condominium Act;

(c) The right of the Association to grant non-exclusive easements over all or a portion of the Common Elements if the Board of Directors determines that the granting of the easement is necessary for the development or maintenance of the Common Elements or beneficial to the Owners, Lessees and Occupants.

(d) All rights and easements set forth in this Declaration including, but not limited to, the rights and easements granted to the Declarant by Section 3.4;

(e) The right of the Association to suspend the right of an Owner, Lessee or Occupant to use the Common Elements for any period during which the Owner, Lessee or Occupant is in violation of any provision of the Condominium Documents;

(f) The right of the Association to restrict or limit the use of any recreational or other common amenities by an Owner and such Owner's family, guests and invitees during any period that the Unit is leased to a Lessee.

3.3.2 The easement of enjoyment in and to the Common Elements shall not be conveyed, transferred, alienated or encumbered separate and apart from a Unit. Such right and

easement of enjoyment in and to the Common Elements shall be deemed to be conveyed, transferred, alienated or encumbered upon the sale of any Unit, notwithstanding that the description in the instrument of conveyance, transfer, alienation or encumbrance may not refer to such right and easement.

3.3.3 Notwithstanding the provisions of this Section 3.3, no Owner, Lessee or Occupant of a Unit or their guests or invitees shall have the right to use any Limited Common Elements not allocated to the exclusive use of their Unit.

3.4 Declarants' Rights and Easements.

3.4.1 Declarants and their employees and agents shall have the right and an easement to maintain sales or leasing offices, management offices, storage areas, models and related facilities throughout the Condominium and to maintain one or more marketing, directional or advertising signs on the Common Elements so long as a Declarant is marketing Units in the Condominium. Declarants reserve the right to maintain models, management offices, storage areas and sales and leasing offices in any Units owned or leased by a Declarant and on any portion of the Common Elements in such number, of such size and in such locations as Declarants deem appropriate. Declarants may store materials and equipment in any Parking Spaces or Storage Spaces allocated as Limited Common Elements to Units owned by the a Declarant or in any Parking Spaces or Storage Spaces which have not been allocated as Limited Common Elements. Declarants may from time to time relocate models, storage areas, management offices and sales and leasing offices to different locations within the Condominium. Declarants and their employees and agents shall have the right and an easement to install or post signs, flags, awnings, lights and banners on the Common Elements in connection with its marketing of Units for sale or lease.

3.4.2 So long as any Declarant is marketing Units in the Condominium for sale or lease, Declarants shall have the right to restrict the use of the Parking Spaces which are not allocated as Limited Common Elements. Such right shall include reserving such Parking Spaces for use by prospective Unit purchasers, Declarants' employees and others engaged in sales, leasing, maintenance, construction or management activities. Declarants shall have the right to lease to an Owner, Lessee or Occupant or any other Person any Parking Spaces which have not been allocated as a Limited Common Element.

3.4.3 The Declarants reserve the right to retain all personal property and equipment used in the sales, management, construction and maintenance of the Condominium that has not been represented to the Association as property of the Association. The Declarants reserve the right to remove from the Condominium any and all goods and improvements used in development, marketing and construction, whether or not they have become fixtures.

3.4.4 Declarants and their employees, agents, contractors and subcontractors shall have the right and an easement on, over and across the Common Elements and the Units to erect and construct the Common Elements and the Units shown on the Plat and all other Improvements Declarants may deem appropriate and to use the Common Elements and any Units owned by a Declarant for construction or renovation related purposes including the storage

of tools, machinery, equipment, building materials, appliances, supplies and fixtures, and the performance of work in the Condominium.

3.4.5 The Declarants and their employees, agents, contractors and subcontractors shall have an easement through the Common Elements and the Units for the purpose of completing any renovations, warranty work or modifications to the Common Elements or the Units a Declarant deems necessary or desirable.

3.4.6 The Declarants and their employees, agents, contractors and subcontractors shall have the right and an easement on, over, and through the Common Elements as may be reasonably necessary for the purpose of performing the Declarants' obligations under the Condominium Act and the Condominium Documents and for the purpose of exercising Special Declarant Rights whether arising under the Condominium Act or reserved in this Declaration. The rights granted to or reserved by the Declarants in this Section 3.4 are in addition to any rights granted to or reserved by the Declarants elsewhere in the Condominium Documents.

3.4.7 To the extent not expressly reserved by or granted to Declarants by other provisions of this Declaration, Declarants reserve all Development Rights and Special Declarant Rights. Except as expressly set forth in this Declaration, there is no time limit within which any Development Right or Special Declarant Right must be exercised or will lapse, and there are no conditions or limitations on the exercise of any Development Right or Special Declarant Right.

3.4.8 So long as any Declarant owns one or more Units, the Declarants shall have the right to the exclusive use, without charge, of any portion of any of the facilities within the Common Elements for employee meetings, administrative purposes, special events or any other purpose. The Declarants' rights under this Subsection shall have priority over the rights of any Owner, Lessee or Occupant to use the Common Elements.

3.4.9 In the event of any conflict or inconsistency between this Section 3.4 and any other provision of the Condominium Documents, this Section 3.4 shall control and prevail over such other provisions. The rights of the Declarants set forth in this Section 3.4 shall be enforceable by injunction, by any other remedy available at law or in equity (including, but not limited to, the right to sue for damages) and/or by any means provided in this Declaration.

3.5 Easement for Support. There is hereby granted and reserved to each Unit a non-exclusive easement for structural support over every other Unit in the Building in which the Unit is located, the Common Elements and the Limited Common Elements, and each Unit and the Common Elements shall be subject to a non-exclusive easement for structural support in favor of every other Unit in the Building in which the Unit is located, the Common Elements and the Limited Common Elements.

3.6 Easements and Rights of the Association for Pest Control. Each Unit shall be subject to an easement in favor of the Association and the agents, employees and contractors of the Association for the purpose of performing such pest control activities as the Association may deem necessary to control or prevent the infestation of the Condominium by insects, rodents or

other pests or to eradicate insects, rodents or other pests from the Condominium. The Association may cause the temporary removal of any Owner, Lessee or Occupant for such periods and at such times as necessary for prompt, effective treatment of wood-destroying pests or organisms. The cost of the temporary relocation is to be borne by the Owner of the Unit affected. Not less than fifteen (15) days nor more than thirty (30) days notice of the need to temporarily vacate shall be given to the Owners, Lessees and Occupants of the Unit affected. The notice shall state: (a) the reason for the temporary relocation; (b) the date and time of the beginning of the treatment; (c) the anticipated dated and time of termination of treatment; and (d) that the Owner, Lessee or Occupant will be responsible for their own accommodations during the temporary relocation.

3.7 Common Elements Easement in Favor of Unit Owners.

3.7.1 The Common Elements shall be subject to the following easements in favor of the Units benefited:

(a) For the installation, repair, maintenance, use, removal or replacement of pipes, ducts, heating and air conditioning systems, electrical, telephone and other communication wiring and cables and all other utility lines and conduits which are a part of or serve any Unit and which pass across or through a portion of the Common Elements.

(b) For the installation, repair, maintenance, use, removal or replacement of lighting fixtures, electrical receptacles, panel boards and other electrical installations which are a part of or serve any Unit but which encroach into a part of a Common Element; provided that the installation, repair, maintenance, use, removal or replacement of any such item does not unreasonably interfere with the common use of any part of the Common Elements, adversely affect either the thermal or acoustical character of the Building or impair or structurally weaken the Building.

(c) For the performance of the Unit Owners' obligation to maintain, repair, replace and restore those portions of the Limited Common Elements that the Unit Owner is obligated to maintain under Section 5.2.

3.7.2 The exercise of the easements created by Subsection 3.7.1 shall be subject to the other provisions of this Declaration and the Rules. Notwithstanding any other provision of this Declaration to the contrary, no Owner, Lessee or Occupant or any other Person (except for the Association) shall penetrate, alter or damage any part of the Common Elements. Penetrating the perimeter building walls or any party wall between Units could damage the soundproofing of the Units, cause water intrusion into the Common Elements or the Units or damage the insulation in such walls.

3.8 Units and Limited Common Elements Easement in Favor of Association. The Units and the Limited Common Elements are hereby made subject to the following easements in favor of the Association and its directors, officer, agents, employees and independent contractors:

(a) For inspection of the Units and Limited Common Elements in order to verify the performance by Unit Owners of all items of maintenance and repair for which they are responsible and in order to verify that the provisions of the Condominium Documents are being complied with by the Unit Owners, Lessees and Occupants of the Unit;

(b) For inspection, maintenance, repair and replacement of the Common Elements or the Limited Common Elements situated in or accessible from such Units or Limited Common Elements;

(c) For correction of conditions (including, without limitation, broken or leaking water pipes, broken hot water heaters or obstructed sewer lines) in one or more Units or Limited Common Elements which have damaged or if left uncorrected could damage, the Common Elements, the Limited Common Elements or other Units.

(d) For the purpose of enabling the Association, the Board of Directors or any other committees appointed by the Board of Directors to exercise and discharge their respective rights, powers and duties under the Condominium Documents.

Except in case of emergency, the Association shall only enter a Unit at reasonable times and upon reasonable notice to the Unit Owner or, if the Unit is leased, to the Lessee. In the event of an emergency, the Association may enter a Unit without prior notice to the Unit Owner or the Lessee, but promptly following the Association's entry into the Unit, the Association shall notify the Unit Owner or the Lessee of the nature of the emergency condition which required entry without notice.

3.9 Easement for Unintended Encroachments. To the extent that any Unit or Common Element encroaches on any other Unit or Common Element as a result of original construction, reconstruction, shifting, settlement or movement of any improvement or alteration or restoration authorized by this Declaration or any reason other than an encroachment created by the intentional conduct of gross negligence of a Unit Owner, a valid easement for the encroachment, and for the maintenance thereof, is hereby granted and created.

3.10 Easements for Utilities and Maintenance. On behalf of all Owners, the Association may create and dedicate easements over the Common Elements: (a) for the benefit of all service providers for the installation, repair, replacement and maintenance of sanitary sewers, water, electric, gas and telephone lines and facilities, heating and air-conditioning facilities, cable telephone or master television antenna or satellite lines or cables, and drainage

facilities, and for ingress to and egress from the Condominium in connection therewith, and (b) for ingress to and egress from the Condominium for the benefit of all municipal, state and federal vehicles, including, without limitation, all emergency and service type vehicles as may be required from time to time to service the Condominium and the Owners, Lessees and Occupants including, without limitation, for U.S. Mail distribution and collection and private or municipal refuse collection, without the joinder or consent of any First Mortgagee or other Person.

ARTICLE 4

USE AND OCCUPANCY RESTRICTIONS

4.1 Units. All Units shall be used, improved and devoted exclusively to residential use. No trade or business may be conducted on any Unit or in or from any Unit, except that an Owner, Lessee or Occupant of a Unit may conduct a business activity within a Unit so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound, vibration or smell from outside the Unit; (b) the business activity conforms to all applicable zoning ordinances or requirements for the Condominium; (c) the business activity is conducted solely in the Unit; (d) the business activity does not involve persons coming to the Unit or the door-to-door solicitation of Owners, Lessees or Occupants; and (e) the business activity is consistent with the residential character of the Condominium and does not constitute a nuisance or a hazardous or offensive use or threaten the security or safety of other Owners, Lessees or Occupants, as may be determined from time to time in the sole discretion of the Board of Directors. The terms "business" and "trade" as used in this Section shall be construed to have ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation or other form of consideration, regardless of whether: (a) such activity is engaged in full or part time; (b) such activity is intended or does generate a profit; or (c) a license is required for such activity. The leasing of a Unit by the Owner thereof shall not be considered a trade or business within the meaning of this Section.

4.2 Antennas. No antenna, satellite television dish or other device for the transmission or reception of television or radio signals or any other form of electromagnetic radiation shall be erected, used or maintained outdoors on any portion of the Condominium whether attached to the Building or otherwise, unless approved in writing by the Board of Directors, unless applicable law prohibits the Board of Directors from requiring such prior approval. Even if applicable law prohibits the Board of Directors from requiring prior approval of certain types of antennas, satellite dishes or other devices, any such antennas, satellite dishes or other devices must be installed or constructed in accordance with the Rules.

4.3 Improvements and Alterations.

4.3.1 No Owner, Lessee, Occupant or other Person shall construct or install any Improvements on the Common Elements or alter, modify or remove any Common Elements without the prior written approval of the Board of Directors.

4.3.2 Except for paint and wallpaper applied to the interior surface of the walls of the Unit, no Owner, Lessee or Occupant shall make any additions, alterations or improvements within a Unit, unless prior to the commencement of each addition, alteration or improvement, the Owner, Lessee or Occupant receives the prior written approval of the Board of Directors. The Board of Directors may require that an architect or engineer, licensed in Arizona, certifies that such addition, alteration or improvement will not impair the structural integrity or the mechanical systems of the Building or lessen the support of any portion of the Condominium. Notwithstanding any provision of this Section 4.3, no approval of the Board of Directors shall be required for any addition, alteration or improvement made by or at the direction of the Declarant or for any addition, alteration or improvement approved in writing by the Declarant. Except for additions, alterations or improvements to the Units made by or on behalf of the Declarant, all additions, alterations or improvements to a Unit must be performed by contractors licensed by the Arizona Registrar of Contractors. All construction, whether or not such construction must be approved by the Board of Directors, shall be subject to reasonable rules, regulations or guidelines established from time to time by the Board of Directors. Any Owner making any additions, alterations or improvements within his Unit shall be responsible for any damage to other Units and to the Common Elements which results from any such alterations, additions or improvements.

4.3.3 Notwithstanding Subsection 4.3.2, no addition, alteration or improvement within a Unit, whether structural or not, which would be visible from the exterior of a Building or from the exterior of any Limited Common Element (including, but not limited to, the enclosing of a Balcony) shall be made without the prior written approval of the Board of Directors, which approval shall only be granted if the Board of Directors affirmatively finds that the proposed addition, alteration or improvement is aesthetically pleasing and in harmony with the surrounding Improvements. Portions of the ceilings of the Units may be below the upper horizontal boundary of the Unit. Notwithstanding any other provisions of this Declaration to the contrary, no Unit Owner (other than the Declarant) shall make any additions, alterations or improvements within the area between the finished ceiling of the Unit and the upper horizontal boundary of the Unit without the prior written consent of the Board of Directors.

4.3.4 No Owner, Lessee or Occupant shall overload the electric wiring in the Building, or operate machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Board of Directors, an unreasonable disturbance to others or connect any machines, appliances, accessories or equipment to the heating or plumbing system, without the prior consent of the Board of Directors, acting in accord with the direction of the Board of Directors. No Owner, Lessee or Occupant shall overload the floors of any Unit. No water bed or aquariums holding in excess of thirty (30) gallons of water may be installed or kept in any Unit or any Limited Common Element.

4.3.5 The Board of Directors may condition the approval of any proposed additions, alterations or improvements to a Unit or the Common Elements in any manner, including, without limitation: (a) retaining approval rights of the contractor to perform the work; (b) restricting the time during which such work may be performed; (c) requiring the placement of a security deposit in an amount determined by the Board of Directors in an account controlled by the Board of Directors; (d) requiring the provision to the Board of Directors of plans and

specifications prepared and sealed by a professional engineer or architect duly licensed by the State of Arizona; and (e) requiring that the Owner requesting the change obtain, prior to commencing any work, and maintain until completion of such work, comprehensive general liability insurance in such amounts as may be required by the Board of Directors. The Owner shall be obligated to designate Declarant, the Association, the Board of Directors and any other Person designated by the Board of Directors as additional insureds under the policies. The Owner shall be responsible for all costs incurred by the Board of Directors in connection with the Board of Director's review of proposed changes to the Owner's Unit or the Common Elements, including, without limitation, all costs of architects, engineers and other professionals which may be retained by the Board of Directors to assist in their review. Any such costs not timely paid by the Unit Owner shall be deemed an Individual Expense Assessment.

4.3.6 Proposed additions, alterations and improvements to a Unit or the Common Elements shall be made in compliance with all laws, rules, ordinances and regulations of all governmental authorities having jurisdiction, may only be made once all required permits have been obtained and must be in compliance with any conditions imposed by the Association with respect to design, structural integrity, sound attenuation, water-proofing, construction details, lien protection or otherwise. The Owner of a Unit to which additions, alterations or improvements are made shall defend, indemnify and hold harmless the Association and its directors, officers, employees and agents, the Declarant and all other Owners, Lessees or Occupants for, from and against any and all liability, loss or damage resulting from such additions, alterations or improvements and shall be solely responsible for the maintenance, repair and insurance of such additions, alterations and improvements from and after their date of installation or construction as may be required by the Association.

4.3.7 In addition to all other remedies provided in the Condominium Documents or at law or in equity, the Association shall have the right to (a) stop any work that is not in compliance with the terms contained in this Section 4.3 or any rules of the Association governing additions, alterations or improvements to the Units or the Common Elements, (b) deny access to contractors performing such work, and (c) levy reasonable monetary penalties against the Owner or Occupant who caused such work to be performed. The Association's rights of review and approval of plans and other submissions under this Declaration are intended solely for the benefit of the Association. Neither Declarant, the Association nor any of the officers, directors, employees, agents, contractors, consultants or attorneys shall be liable to any Owner or any other Person by reason of mistake in judgment, failure to point out or correct deficiencies in any plans or other submissions, negligence, or any other misfeasance, malfeasance or nonfeasance arising out of or in connection with the approval or disapproval of any plans or submissions. Without limiting the generality of the foregoing, the Association shall not be responsible for reviewing, nor shall its review of any plans be deemed approval of, any plans from the standpoint of structural safety, soundness, workmanship, materials, usefulness, conformity with building or other codes or industry standards, or compliance with governmental requirements. Further, each Owner agrees to indemnify and hold Declarant, the Association and their respective directors, officers, managers, agents and employees harmless from and against any and all costs, claims (whether rightfully or wrongfully asserted), damages, expenses or liabilities whatsoever (including, without limitation, reasonable attorneys' fees and court costs at all trial and appellate

levels), arising out of any review, approval or disapproval by the Board of Directors of plans submitted by the Owner or any Lessee or Occupant of the Owner's Unit.

4.4 Trash Containers and Collection. No garbage or trash shall be placed or kept on the Common Elements except in covered containers of a type, size and style, which are approved by the Board of Directors. The Board of Directors shall have the right to subscribe to a trash service for the use and benefit of the Association and all Unit Owners, and to adopt and promulgate rules and regulations regarding garbage, trash, trash containers and collection. The Board of Directors shall have the right to require all Owners to place trash and garbage in containers located in areas designated by the Board of Directors. No incinerators shall be kept or maintained in any Unit. All trash, garbage or rubbish must be kept in sanitary containers and must be bagged and deposited in designated trash chutes or receptacles. No rubbish, trash or garbage shall be kept on any Balcony. The Rules may contain provisions governing the disposal of trash, garbage and rubbish in the Condominium.

4.5 Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained upon the Condominium except such machinery or equipment as is usual and customary in connection with the uses permitted by this Declaration, and except that which Declarant or the Association may require for the construction, operation and maintenance of the Common Elements.

4.6 Animals. Except as expressly permitted by this Section no animals, birds, reptiles, fish, fowl, poultry or livestock shall be maintained or kept in any Unit or on any other portion of the Condominium. For purposes of this Section, a "Permitted Pet" shall mean a dog, cat, fish or small bird of a variety commonly kept as a household pet. Permitted Pets may kept in a Unit if they are kept, bred or raised solely as domestic pets and not for commercial purposes. A maximum of two (2) dogs and two (2) cats may be kept or maintained in a Unit. No Permitted Pet shall be allowed in the Common Elements of the Building, except for ingress or egress from the Building. No Permitted Pet shall be allowed to make an unreasonable amount of noise, cause an odor which is detectable outside the Unit, or be an annoyance to a person of ordinary sensibilities. No dogs or cats shall be allowed to run loose on any part of the Common Elements, except within a Balcony. All dogs shall be kept on a leash when outside a Unit and all dogs shall be directly under the control of the Owner, Lessee or Occupant at all times. Any person bringing a dog onto the Common Elements shall immediately remove any feces deposited on the Common Elements by the dog, and such person shall be liable to the Association for the cost of any cleaning of the Common Elements or the repair of any damage to the Common Elements caused or required by the dog. Any Unit where a Permitted Pet is kept or maintained shall at all times be kept in a neat and clean condition. No structure for the care, housing, confinement, or training of any Permitted Pet shall be maintained on any portion of the Common Elements or in any Unit so as to be visible from the exterior of the Building or any other Unit. Upon the written request of any Owner, the Board of Directors shall determine whether, for the purposes of this Section, a Permitted Pet makes an unreasonable amount of noise, causes an odor which is detectable outside the Unit or is an annoyance to a person of ordinary sensibilities. Notwithstanding any other provision of this Section, no dog which the Board of Directors determines, in its sole discretion, is of a breed which has a propensity to attack persons or other animals or otherwise constitutes a threat to the safety of persons or other animals shall be kept in

a Unit or on any other portion of the Condominium. Any dog or other Permitted Pet which has bitten or attacked a person or other animal or any dog or other Permitted Pet which the Board of Directors, in its sole discretion, determines has a propensity to attack persons or other animals or otherwise constitutes a threat to the safety of persons or other animals in the Property or which because of incessant barking or other behavior constitutes an unreasonable annoyance or nuisance to Owners, Lessees or Occupants or their guests shall be removed from the Condominium by the owner of the Permitted Pet within five (5) days after written demand for removal of the Permitted Pet is given to the owner by the Board of Directors. The Board of Directors shall have the right to adopt, amend and repeal rules and regulations governing the keeping of Permitted Pets in the Condominium, and such rules and regulations may include limitations on the height and/or weight of Permitted Pets and may provide for the registration of pets with the Association; provided, however, that (a) any rule placing limitations on the height and/or weight of a Permitted Pet must be approved by the affirmative vote of Members having more than fifty percent (50%) of the votes cast with respect to such proposed rule at a meeting of the Members and (b) any rule placing limitations on the height and/or weight of a Permitted Pet shall be prospective only and shall not require the removal of any Permitted Pet being kept in a Unit as of the effective date of the rule.

4.7 Diseases and Insects. No Unit Owner shall permit any thing or condition to exist upon the Condominium, which could induce, breed or harbor infectious plant or animal diseases or noxious insects. Each Unit Owner shall perform such pest control activities in his Unit as may be necessary to prevent insects, rodents and other pests from being present in the Unit.

4.8 Motor Vehicles. Except for emergency repairs, no automobile, motorcycle, van, sport utility vehicle, truck, motorbike or other motor vehicle shall be constructed, reconstructed, serviced or repaired on any portion of the Condominium, and no inoperable vehicle may be stored or parked on any portion of the Condominium. No automobile, motorcycle, motorbike, van, sport utility vehicle, truck or other motor vehicle shall be parked upon any part of the Condominium, except in the Parking Spaces; provided, however, that motorcycles and motorbikes also may be parked in any areas specifically intended and designated by the Board of Directors as areas for the parking of motorcycles and motorbikes. If a Parking Space is allocated to a Unit as a Limited Common Element or assigned to the exclusive use of the Unit by the Association, then no Unit Owner, Lessee or Occupant may park any automobile, motorcycle, motorbike, van, sport utility vehicle, truck or other motor vehicle owned or leased by such Unit Owner, Lessee or Occupant in any Parking Spaces other than the Parking Space allocated to the Unit as a Limited Common Element or in any Parking Space assigned to the exclusive use of the Unit by the Association. Bicycles may not be parked, kept or stored on any part of the Condominium, except in a Unit or in areas of the Common Elements designated for such purpose by the Association.

4.9 Trucks, Trailers, Campers and Boats. No mobile home, travel trailer, tent trailer, trailer, camper shell, detached camper, recreational vehicle, boat, boat trailer, or other similar equipment or vehicle may be parked, kept, maintained, constructed, reconstructed or repaired on any part of the Condominium.

4.10 Towing of Vehicles. The Board of Directors shall have the right to have any automobile, sport utility vehicle, van, truck, recreational vehicle, motorcycle, motorbike, or other motor vehicle parked, kept, maintained, constructed, reconstructed or repaired in violation of the Condominium Documents towed away at the sole cost and expense of the owner of the vehicle. Any expense incurred by the Association in connection with the towing of any vehicle shall be paid to the Association upon demand by the owner of the vehicle.

4.11 Signs. No signs (including, but not limited to, "For Sale" or "For Rent" signs) shall be permitted on the exterior of a Building or in the interior of a Unit if the signs would be visible from the exterior of the Building, or on any other portion of the Condominium without the prior written approval of the Board of Directors.

4.12 Lawful Use. No immoral, improper, offensive, or unlawful use shall be made of any part of the Condominium. All valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction over the Condominium shall be observed. Any violation of such laws, zoning ordinances or regulations shall be a violation of this Declaration.

4.13 Nuisances and Offensive Activity. No nuisance shall be permitted to exist or operate upon the Condominium, and no activity shall be conducted upon the Condominium which is offensive or detrimental to any portion of the Condominium or to any Owner, Lessee or Occupant or is an annoyance to any Owner, Lessee or Occupant or which interferes with the quiet enjoyment of a Unit by the Owner, Lessee or Occupant thereof, including any criminal or illegal activity by any Owner, Lessee or Occupant or their guests. Except as part of a security system, no exterior speakers, horns, whistles, bells or other sound devices shall be located, used or placed on the Condominium without the prior written approval of the Board of Directors.

4.14 Window Coverings. No reflective materials, including, but without limitation, aluminum foil, reflective screens or glass, mirrors or similar items, shall be installed or placed upon the outside or inside of any windows of a Unit without the prior written approval of the Board of Directors. No enclosures, drapes, blinds, shades, screens or other items affecting the exterior appearance of a Unit shall be constructed or installed without the prior written consent of the Board of Directors. The Board of Directors may establish a "Condominium Standard" window treatment plan to ensure uniformity that will be complied with by all Owners. No tinting or film may be installed on any windows of a Unit without the prior written approval of the Board of Directors.

4.15 Balconies. Furniture, furnishings, umbrellas, pots and plants kept and maintained on any Balcony shall be of a neutral color harmonious with and not in conflict with the color scheme of the exterior walls of the Building in which the Unit is located and must be approved in writing by the Board of Directors unless expressly permitted by the Rules. No furniture, furnishings, umbrellas, pots, plants or other items which extend above the wall or railing of a Balcony shall be kept and maintained on any Balcony unless expressly permitted by the Rules or approved in writing by the Board of Directors. No astro turf, carpet or other floor covering shall be installed in any Balcony without the prior written approval of the Board of Directors. No Balcony shall be used as a storage area for items or materials that are not customarily intended

for use on a Balcony, such as the use of a Balcony to store bicycles or exercise equipment. No items may be hung from any Balcony or the ceiling, wall or railing enclosing the Balcony.

4.16 Leasing Restitutions. No Unit shall be leased by a Unit Owner, or occupied by an Occupant, for hotel or transient purposes or for an initial term of less than one (1) year. No portion of a Unit which is less than the entire Unit shall be leased. The Association may establish Rules concerning the procedure to be utilized by Unit Owners that seek to rent or lease their Units to ensure compliance with this Section. All leases must be in writing and must provide that the terms of the lease are subject in all respects to the provisions of this Declaration and the Rules and that any violation of this Declaration or the Rules by the Lessee or the other occupants shall be in default under the lease. There shall be no subleasing of the Units or assignment of leases. At least ten (10) days before executing a lease, the Unit Owner shall provide the Association with a copy of the proposed lease and the following information: (a) the commencement date and expiration date of the lease term; (b) the names of each of the Lessees and each other Person who will reside in the Unit during the lease term; (c) the address and telephone number at which the Owner can be contacted by the Association during the lease term; and (d) the name, address and telephone number of a person whom the Association can contact in the event of an emergency involving the Unit. Any Owner who leases his Unit must provide the Lessee with copies of this Declaration and the Rules. A Unit Owner shall be liable for any violation of this Declaration or the Rules by the Lessees or other occupants of the Unit and their guests and invitees and, in the event of any such violation, the Unit Owner, upon demand of the Association, shall immediately take all necessary steps to correct any such violations or, if demanded by the Board of Directors, immediately take all necessary action (including, but not limited to, legal action) to remove from the Unit the Lessees and all other persons residing in the Unit pursuant to the lease. The provisions of this Section shall not apply to the leasing of a Unit by the Declarant or the Association.

4.17 Time Sharing. No Unit shall be divided or conveyed on a time increment basis or measurable chronological periods or pursuant to any agreement, plan, program or arrangement under which the right to use, occupy or possess a Unit, or any portion thereof, rotates among various Persons on a periodically recurring basis for value exchanged, whether monetary or like-kind use privileges, according to a fixed or floating interval or period of time one hundred eighty (180) consecutive calendar days or less.

4.18 Hazardous Materials. No Owner, Lessee or Occupant shall use or keep in a Unit or any Limited Common Element allocated to the Unit any kerosene, gasoline, or inflammable or combustible fluid or material or other hazardous materials, other than those required, in limited quantities, for normal cleaning of the Unit and the Limited Common Element.

4.19 Noise Reduction. No Owner, Lessee or Occupant of a Unit (other than the Declarant) shall install or allow to be installed any hard floor coverings (including, but not limited to, tile, marble or wood) in any part of the Unit, except the kitchen, bathroom(s), laundry and front door entry. Unless otherwise approved by the Board of Directors, any hard floor coverings to be installed in the kitchen, bathroom(s), laundry or front door entry of a Unit must use a sound control underlayment system which must include perimeter insulative material which will insure that impact noises will not be transmitted into the Unit below the floor either

directly through the floor or by going around the floor and through the surrounding walls. In order to maintain the highest level of acoustical privacy possible, the Board of Directors may, from time to time, adopt rules and regulations to reduce levels of noise emission from Units. Additionally, no loudspeakers shall be affixed to any wall, ceiling, shelving or cabinets so as to cause vibrations discernable between Units. The use of stereo equipment, televisions and musical instruments shall be subject to and must be used in accordance with the Rules. All Owners, Lessees and Occupants shall take all reasonable precautions to lower noise transference between Units and to abide by the rules and regulations of the Association and any noise reduction ordinance of the City. Each Owner, Lessee and Occupant acknowledges that Declarant has not made any written or oral representation or warranty concerning the sound insulation capabilities of the Units and that in any multi-family dwelling sound may be audible between Units, particularly where the sound level of the source is sufficiently high and the background noise in an adjacent Unit is very low.

4.20 Storage Without the prior written approval of the Board of Directors, nothing shall be stored by an Owner, Lessee or Occupant in any part of the Common Elements other than any Storage Space allocated as a Limited Common Element to the Unit of the Owner, Lessee or Occupant .

4.21 Garages. No Garage shall be converted to living space or altered or used for storage of material or other purposes which would prevent the use of the Garage for the parking of the number of vehicles for which it was designed. The interior of all Garages shall be maintained and kept in a neat, clean and sightly condition, free of debris or unsightly objects. Garage doors shall be kept closed except when the opening of the door is necessary to permit ingress or egress.

4.22 Declarant Approval Required. After the expiration of the Period of Declarant Control and for so long as the Declarant owns any Unit, any action for which the consent or approval of the Board of Directors is required under this Declaration may be taken only if such action is also consented to or approved by the Declarant.

ARTICLE 5

MAINTENANCE AND REPAIR OF COMMON ELEMENTS AND UNITS

5.1 Duties of the Association. The Association shall maintain, repair and replace all Common Elements, except for the Limited Common Elements which the Unit Owners are obligated to maintain, repair and replace pursuant to Section 5.2. The Association shall also maintain, repair and replace the concrete floors of the Patios or Balconies and the walls, railings and gates enclosing the Patios and Balconies, but the Association shall not be responsible for the maintenance, repair or replacement of any carpeting or other floor covering that may be installed on a Balcony by the Owner, Lessee or Occupant thereof with the approval of the Association. The cost of all such maintenance, repairs and replacements shall be a Common Expense and shall be paid for by the Association. The Board of Directors shall be the sole judge as to the

appropriate maintenance, repair and replacement of all Common Elements, but all Common Elements shall be maintained in good condition and repair at all times. The Declarant may, but shall not be obligated to, provide to the Association, a maintenance program for the maintenance, care, up-keep, repair, inspection and replacement of the Common Elements and Units (the "Maintenance Program"). If the Declarant provides a Maintenance Program to the Association, the Board of Directors shall utilize the Maintenance Program in the determination of the appropriate maintenance of the Common Elements. Neither the Declarant nor any of the Declarant's contractors, subcontractors, architects, engineers or consultants shall be liable to the Association or any Unit Owner for any maintenance, repair or replacement of the Common Elements that is required as a result of the failure to maintain, repair and replace the Common Elements in accordance with the Maintenance Program. If the Declarant does not provide a Maintenance Program to the Association, then the Association shall maintain, repair and replace the Common Elements in good condition and repair and in accordance with all manufacturer's specifications. No Owner, Lessee, Occupant or other Person shall construct or install any Improvements on the Common Elements or alter, modify or remove any Common Elements without the prior written approval of the Board of Directors. No Owner, Lessee, Occupant or other Person shall obstruct or interfere with the Association in the performance of the Association's maintenance, repair and replacement of the Common Elements or any components of the Units which the Association is obligated to maintain, repair or replace. Owners, Lessees and Occupants shall immediately notify the Association of (a) any broken or leaking water pipes, toilets, clothes washers or hot water heaters and (b) any water intrusion into the Buildings from the roofs or windows, and any Owner, Lessee or Occupant who fails to provide such notification shall be liable to the Association and the other Owners, Lessees and Occupants for any damages that may be caused by such failure.

5.2 **Duties of Unit Owners**. Each Owner shall maintain, repair and replace, at his own expense, all portions of his Unit in a good, clean and sanitary condition. In addition, each Owner shall be responsible for the maintenance, repair and replacement of the Limited Common Elements allocated to his Unit pursuant to Subsections 2.8.1(a), 2.8.1(b) and 2.8.1(c), except that the Association shall be responsible for the periodic cleaning of the exterior surface of the windows allocated to the Unit. Each Owner shall be responsible for maintaining the interior of the Patio or Balcony and Storage Space allocated to the Owner's Unit as a Limited Common Element in a good, clean and sanitary condition. Each Owner shall be responsible for maintaining and replacing the plants, shrubs, flowers and other landscaping installed in the Patio allocated to the Owner's Unit as a Limited Common Element. Each Owner shall be responsible for the maintenance, repair or replacement of any carpeting or other floor covering that may be installed by the Owner, Lessee or Occupant thereof with the approval of the Association in the Patio or Balcony allocated to the Owner's Unit as a Limited Common Element. In the event any plumbing or other utility lines, pipes or fixtures serving a Unit are located within the boundaries of another Unit, then the Owner of the Unit served shall have an easement over, upon and through such other Unit for the maintenance, repair and replacement of such pipes, lines and fixtures; provided, however, that (a) except in case of emergency, the Owner of the Unit served shall give the Owner or Lessee of the other Unit at least forty-eight hours notice prior to entering the other Unit and (b) an Owner entering another Unit for the purpose of maintaining, repairing and replacing such pipes, lines and fixtures shall promptly repair any damage to the Unit, or the contents thereof, resulting from the entry into the Unit or such maintenance, repair and

replacement. Any Owner, Lessee or Occupant that leaves their Unit unoccupied for more than seven (7) consecutive days shall turn off the water to all toilets and the clothes washer in the Unit. If the Declarant provides a Maintenance Program to the Board of Directors, each Unit Owner shall obtain from the Board of Directors the Maintenance Program applicable to the Units and utilize the Maintenance Program for the maintenance, operation, upkeep, repair, inspection and replacement of the Unit and all Limited Common Elements that the Owner is obligated to maintain, repair and replace pursuant to this Section. Each Unit Owner (other than the Declarant) shall maintain detailed and complete records of all maintenance, repairs and replacements to the Owner's Unit or the Limited Common Elements made by the Unit Owner. On or before January 31 of each year, each Unit Owner (other than the Declarant) shall submit to the Association and the Declarant a maintenance report detailing all maintenance, repairs and replacements to the Owner's Unit or the Limited Common Elements made by the Unit Owner during the immediately preceding calendar year, and upon request of the Board of Directors, shall provide to the Association the records with respect to such maintenance, repairs and replacements. Neither the Declarant nor any of the Declarant's contractors, subcontractors, architects, engineers or consultants shall be liable to the Association or any Unit Owner for any maintenance, repair or replacement of a Unit that is required as a result of the failure to maintain, repair and replace the Common Elements in accordance with the Maintenance Program.

5.3 Repair or Restoration Necessitated by Owner. Each Owner shall be liable to the Association for any damage to the Common Elements or the Improvements, landscaping or equipment thereon which results from the negligence or willful misconduct of the Owner or of the Owner's Lessees, Occupants or Invitees or from any violation of this Declaration or the Rules by an Owner or of the Owner's Lessees, Occupants or Invitees. The cost to the Association of any such repair, maintenance or replacements required by such act of an Owner or of the Owner's Lessees, Occupants or Invitees shall be assessed against the Owner as provided in Subsection 7.2.4. In addition, each Owner shall be liable to the other Unit Owners for any damage caused to such Owner's Unit which results from the negligence or willful misconduct of the Owner or the Owner's Lessees, Occupants or Invitees.

5.4 Owner's Failure to Maintain. If an Owner fails to maintain in good condition and repair his Unit or any Limited Common Element which he is obligated to maintain under this Declaration and the required maintenance, repair or replacement is not performed within fifteen (15) days after written notice has been given to the Owner by the Association, the Association shall have the right, but not the obligation, to perform the required maintenance, repair or replacement. The cost of any such maintenance, repair or replacement, plus an administrative fee equal to fifteen percent (15%) of such costs, shall be assessed against the nonperforming unit Owner pursuant to Subsection 7.2.4.

5.5 Private Sewer Facilities. As used in this Section, the term "Sewer Facilities" means all sewer lines and appurtenant facilities within the boundaries of the Condominium, except for: (a) any sewer lines and appurtenant facilities which serve only one Unit and which are located within the boundaries of the Unit or are part of the Common Elements but are allocated to the Unit by this Declaration as a Limited Common Element; and (b) any sewer lines and appurtenant facilities which have been accepted by and are the responsibility of a

governmental or private sewer company. The Association shall be responsible for the operation, maintenance, repair and replacement of the Sewer Facilities in compliance with all applicable federal, state and local laws, ordinances and regulations. The Association shall file all reports regarding the operation and maintenance of the Sewer Facilities as may be required by federal, state or local laws, ordinances or regulations. If the Sewer Facilities have a design flow of more than 10,000 gallons per day, then the Association shall operate and maintain the Sewer Facilities in accordance with operation and maintenance plan for the Sewer Facilities approved by the Yavapai County Environmental Services Department in connection with the approval of the Sewer Facilities. The Association will advise any utility company or other entity to which the Association gives permission to make additional improvements to the Condominium that the services which are available under Arizona law to locate and mark underground utility lines and facilities within dedicated public rights-of-way are not available to locate the Sewer Facilities, and, therefore, a private person or entity will need to be employed for such purpose. Sewer lines and appurtenant facilities which serve only one Unit and which are located within the boundary of a Unit or which are part of the Common Elements but are allocated to the Unit by this Declaration as a Limited Common Element shall be maintained, repaired and replaced by the Owner of the Unit served.

5.6 Sprinkler System. In accordance with the requirements of the City, the Building is equipped with a sprinkler system. The heads of the sprinkler system will intrude into the Unit. All pipes, heads and other parts of the sprinkler system (whether located within or outside of the Unit) shall be part of the Common Elements and shall be maintained, repaired and replaced by the Association. No Owner, Lessee or Occupant shall make any modifications or repairs to the sprinkler system without the approval of the Board of Directors. Owners, Lessees and Occupants shall immediately notify the Association of any broken or damaged sprinkler heads or other components of the sprinkler system. If a Unit Owner, Lessee or Occupant or their Invitees causes the sprinkler system to be activated (except in the case of a fire) or damages or destroys any part of the sprinkler system, the Unit Owner shall be responsible for the cost of any repairs to the sprinkler system made by the Association and for all other losses or damages resulting from such actions.

ARTICLE 6

THE ASSOCIATION

6.1 Rights, Powers and Duties of the Association. No later than the date on which the first Unit is conveyed to a Purchaser, the Association shall be organized as a nonprofit Arizona corporation. The Association shall be the entity through which the Unit Owners shall act. The Association shall have such rights, powers and duties as are prescribed by law and as are set forth in the Condominium Documents together with such rights, powers and duties as may be reasonably necessary in order to effectuate the objectives and purposes of the Association as set forth in this Declaration and the Condominium Act. The Association shall have the right to finance capital improvements in the Condominium by encumbering future Assessments if such action is approved by the affirmative vote of Unit Owners holding more than two-thirds (2/3) of the votes in the Association. Unless the Condominium Documents or the

Condominium Act specifically require a vote of the Members, the Board of Directors may act in all instances on behalf of the Association.

6.2 Directors and Officers. During the Period of Declarant Control, the Declarant shall have the right to appoint and remove the members of the Board of Directors and the officers of the Association, and such directors and officers do not have to be Unit Owners. The initial directors and officers of the Association shall be designated in the Articles, and such designation shall constitute the appointment of such directors and officers by the Declarant. When the Period of Declarant Control expires, the Unit Owners shall elect the Board of Directors which must consist of at least three members, all of whom must be Unit Owners. The Board of Directors elected by the Unit Owners shall then elect the officers of the Association. The Declarant may voluntarily surrender the right to appoint and remove the members of the Board of Directors and the officers of the Association before the expiration of the Period of Declarant Control, and in that event the Declarant may require, for the duration of the Period of Declarant Control, that specified actions of the Association or the Board of Directors, as described in a Recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

6.3 Rules. The Board of Directors, from time to time and subject to the provisions of this Declaration and the Condominium Act, may adopt, amend, and repeal rules and regulations. The Rules may, among other things, restrict and govern the use of the Units and the Common Elements.

6.4 Identity of Members. Each Unit Owner shall be a Member of the Association. The membership of the Association at all times shall consist exclusively of the Unit Owners. Membership in the Association shall be mandatory. An Owner shall automatically, upon becoming an Owner, be a Member of the Association and shall remain a Member of the Association until such time as his ownership ceases for any reason, at which time his membership in the Association shall automatically cease. Membership in the Association shall be appurtenant to each Unit and may not be separately assigned, transferred or conveyed.

6.5 Personal Liability. No director or officer of the Association, no member of any committee of the Association, no managing agent of the Association or such managing agent's employees and no other person acting on behalf of the Board of Directors shall be personally liable to any Member or to any other Person other than the Association for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence in the discharge of such person's duties and responsibilities under the Condominium Documents provided such person acted in good faith and without intentional misconduct.

6.6 Utility Service. The Association shall acquire and pay for the following: (a) water, sewer, electric, natural gas and other utility service for the Common Elements; (b) refuse and rubbish collection for the Common Elements and the Units; and (c) water service for the Units. Each Unit will be separately metered for electric service and natural gas service and all charges for electric service and natural gas service to a Unit shall be paid by the Owner of the Unit. The City of Sedona will bill each Unit Owner a monthly service fee for sewer service to the Owner's Unit. The sewer service fees shall be the sole responsibility of each Unit Owner.

ARTICLE 7

ASSESSMENTS

7.1 Preparation of Budget.

7.1.1 At least thirty (30) days before the beginning of each fiscal year of the Association commencing with the fiscal year in which the first Unit is conveyed to a Purchaser, the Board of Directors shall adopt a budget for the Association containing an estimate of the total amount of funds which the Board of Directors believes will be required during the ensuing fiscal year to pay all Common Expenses including, but not limited, to: (a) the amount required to pay the cost of maintenance, management, operation, repair and replacement of the Common Elements and those parts of the Units, if any, which the Association has the responsibility of maintaining, repairing and replacing; (b) the cost of wages, materials, insurance premiums, services, supplies and other expenses required for the administration, operation, maintenance and repair of the Condominium; (c) the amount required to render to the Unit Owners all services required to be rendered by the Association under the Condominium Documents; and (d) such amounts as may be necessary to provide reserves for contingencies and replacements. The budget shall separately reflect any Common Expenses to be assessed against less than all of the Units. The Board of Directors is expressly authorized to adopt and amend budgets for the Association, and no ratification of any budget by the Unit Owners shall be required.

7.1.2 Within ten (10) days after the adoption of the budget for each fiscal year of the Association (except for the first fiscal year), the Board of Directors shall send to each Owner a summary of the budget. At least ten (10) days prior to the commencement of each fiscal year of the Association (except for the first fiscal year) a statement of the amount of the Regular Assessment assessed against the Owner's Unit in accordance with Section 7.2. The failure or delay of the Board of Directors to adopt a budget for any fiscal year or to send each Owner a summary of the budget or a notice of the amount of the Regular Assessment for any fiscal year as required by this Subsection shall not constitute a waiver or release in any manner of an Owner's obligation to pay his allocable share of the Common Expenses as provided in Section 7.2, and each Owner shall continue to pay the Regular Assessment for his Unit as established for the previous fiscal year until notice of the Regular Assessment for the new fiscal year has been given to the Owners by the Board of Directors.

7.2 Regular Assessment.

7.2.1 For each fiscal year of the Association commencing with the fiscal year in which the first Unit is conveyed to a Purchaser, the total amount of the estimated Common Expenses set forth in the budget adopted by the Board of Directors (except for the Common Expenses which are to be assessed against less than all of the Units pursuant to this Declaration shall be assessed against each Unit in proportion to the Unit's Common Expense Liability as set forth in Section 2.6. The amount of the Regular Assessment assessed pursuant to this Subsection 7.2.1 shall be in the sole discretion of the Board of Directors. If the Board of Directors

determines during any fiscal year that its funds budgeted or available for that fiscal year are, or will, become inadequate to meet all Common Expenses for any reason, including, without limitation, nonpayment of Assessments by Members, the Board of Directors may increase the Regular Assessment for that fiscal year and the revised Regular Assessment shall commence on the date designated by the Board of Directors.

7.2.2 The Regular Assessments shall commence as to all Units on the day that the first Unit is conveyed to a Purchaser. The first Regular Assessment shall be adjusted according to the number of months remaining in the fiscal year of the Association. The Board of Directors may require that the Regular Assessments or Special Assessments be paid in installments.

7.2.3 Except as otherwise expressly provided for in Section 5.1 or elsewhere in this Declaration, all Common Expenses including, but not limited to, Common Expenses associated with the maintenance, repair and replacement of a Limited Common Element, shall be assessed against all of the Units in accordance with Subsection 7.2.1.

7.2.4 If any Common Expense is caused by the misconduct of any Owner, the Association shall assess that Common Expense exclusively against such Owner's Unit. Assessments to pay a judgment against the Association may be made only against the Units in the Condominium at the time the judgment was entered, in proportion to their Common Expense Liabilities. If the use of any Unit increases the cost to the Association of the insurance maintained by the Association pursuant to Article 8, the increased cost shall be assessed solely to such Unit.

7.2.5 All Assessments, monetary penalties and other fees and charges levied against a Unit shall be the personal obligation of the Owner of the Unit at the time the Assessments, monetary penalties or other fees and charges became due. The personal obligation of an Owner for Assessments, monetary penalties and other fees and charges levied against his Unit shall not pass to the Owner's successors in title unless expressly assumed by them.

7.2.6 The Regular Assessments for any Unit owned by the Declarant on which construction has not been substantially completed shall be an amount equal to twenty-five percent (25%) of the Regular Assessment for Units which have been substantially completed. For purposes of this Subsection, a Unit shall be deemed substantially completed when a Certificate of Occupancy or similar permit has been issued by the City permitting the Unit to be occupied and used for residential purposes. So long as any Unit owned by the Declarant qualifies for the reduced Regular Assessment provided for in this Subsection, the Declarant shall be obligated to pay to the Association any deficiency in the monies of the Association due to the Declarant having paid a reduced Regular Assessment and necessary for the Association to be able to timely pay all Common Expenses.

7.3 Special Assessments. The Association may levy a special assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement of the Common Elements, including fixtures and personal property related thereto, or for any other lawful Association purpose, provided that any Special

Assessment (other than a Special Assessment levied pursuant to Section 9.1 as a result of the damage or destruction of all or part of the Common Elements) shall have first been approved by Owners representing two-thirds (2/3) of the votes in the Association who are voting in person or by proxy at a meeting duly called for such purpose. Unless otherwise specified by the Board of Directors, Special Assessments shall be due thirty (30) days after they are levied by the Association and notice of the Special Assessment is given to the Owners.

7.4 Individual Expense Assessment. The Association may contract with various suppliers of goods or services to provide to the Owners, Lessees and Occupants goods or services which the Association is not required to provide under the Condominium Documents. Any such contract may either provide that the Association shall pay for the cost and expense of the goods or services provided to the Owners, Lessees or Occupants under the contract or that the cost and expense shall be billed directly to the Owner, Lessee or Occupant receiving such goods or services. Any such costs and expenses paid by the Association shall be assessed as an Individual Expense Assessment to the Unit receiving such goods or services.

7.5 Enforcement Assessment. The Association may assess against a Unit Owner as an Enforcement Assessment any of the following expenses: (a) any Collection Costs incurred by the Association in attempting to collect Assessments or other amounts payable to the Association by the Owner; (b) any attorney fees (whether or not a lawsuit is filed) incurred by the Association with respect to any violation of the Condominium Documents by the Owner or the Owner's Lessees, Occupants or Invitees; (c) any monetary penalties levied against the Owner; or (d) any amounts (other than Regular Assessments, Special Assessments, Individual Assessments and User Fee Assessments) which become due and payable to the Association by the Owner or the Owner's Lessees, Occupants or Invitees pursuant to the Condominium Documents.

7.6 User Fee Assessment. The Association may establish and charge fees for the use of certain recreational or other facilities in the Condominium. All such fees shall be assessed to the Owners as a User Fee Assessment which shall be payable within fifteen (15) days after notice of the Use Fee Assessment is given to the Owner.

7.7 Purposes for which Association's Funds May be Used. The Association may use the funds and property collected and received by the Association (including, but not limited to, all Assessments, fees, loan proceeds, surplus funds and all funds and property received from any other source) for the purpose of: (a) discharging and performing the Association's duties and obligations under the Condominium Documents or applicable law; (b) exercising the rights and powers granted to the Association by the Condominium Documents or applicable law; (c) providing or promoting activities and services the Board of Directors deems appropriate, necessary or desirable to foster or promote the common good and general welfare of the Condominium and the Owners, Lessees and Occupants; (d) contracting for services (including, without limitation, trash collection or cable television) to be provided to Owners, Lessees and Occupants; and (e) taking such other action as the Board of Directors deems necessary, appropriate or desirable for the management and administration of the Association or the benefit of the Association or the Condominium.

7.8 Effect of Nonpayment of Assessments; Remedies of the Association.

7.8.1 Any Assessment, or any installment of an Assessment, which is not paid within fifteen (15) days after the Assessment first became due shall be deemed delinquent and shall bear interest from the date of delinquency at the rate of interest established from time to time by the Board of Directors. If any Assessment, or any installment thereof, is not paid within fifteen (15) days after the Assessment first became due, the Association may assess against the delinquent Unit Owner a late fee in the amount established from time to time by the Board of Directors.

7.8.2 The Association shall have a lien on each Unit for any Assessment levied against that Unit from the time the Assessment becomes due. The Association's lien for Assessments, for charges for late payment of those Assessments, for reasonable collection fees and for reasonable attorney fees and costs incurred with respect to those Assessments may be foreclosed in the same manner as a mortgage on real estate. Fees, charges, late charges, monetary penalties and interest charged pursuant to Section 33-1242, Paragraphs 10, 11 and 12 of the Arizona Revised Statutes, other than charges for late payment of Assessments, are not enforceable as Assessments under this Section 7.7. If an Assessment is payable in installments, the full amount of the Assessment is a lien from the time the first installment of the Assessment becomes due. The Association has a lien for fees, charges, late charges (other than charges for late payment of Assessments), monetary penalties or interest charged pursuant to Section 33-1242, Paragraphs 10, 11 and 12 of the Arizona Revised Statutes after the entry of a judgment in a civil suit for those fees, charges, late charges, monetary penalties or interest from a court of competent jurisdiction and the recording of that judgment in the records of the County Recorder of Maricopa County, Arizona, as otherwise provided by law. The Association's lien for monies other than for Assessments, for charges for late payment of those Assessments, for reasonable collection fees and for reasonable attorney fees and costs incurred with respect to those Assessments may not be foreclosed and is effective only on conveyance of any interest in the Unit. The recording of this Declaration constitutes record notice and perfection of the Association's lien for Assessments, for charges for late payment of those Assessments, for reasonable collection fees and for reasonable attorney fees and costs incurred with respect to those Assessments, and no further recordation of any claim of lien shall be required. Although not required in order to perfect the Association's lien, the Association shall have the right but not the obligation, to record a notice setting forth the amount of any delinquent Assessments, for charges for late payment of those Assessments, for reasonable collection fees and for reasonable attorney fees and costs incurred with respect to those Assessments which are secured by the Association's lien.

7.8.3 The Association's Lien for Assessments, for charges for late payment of those Assessments, for reasonable collection fees and for reasonable attorney fees and costs incurred with respect to those Assessments shall have priority over all liens, other interests and encumbrances except for: (a) liens and encumbrances Recorded before the recording of this Declaration; (b) liens for real estate taxes and other governmental assessments and charges; and (c) the lien of any First Mortgage or seller's interest in a first contract for sale recorded prior to the Assessment Lien. Any First Mortgagee or any other Person acquiring title or coming into possession of a Unit through foreclosure of the First Mortgage, purchase at a foreclosure sale or trustee's sale, or through any equivalent proceedings, such as, but not limited to, the taking of a

deed in lieu of foreclosure shall acquire title free and clear of any claims for unpaid Assessments and charges against the Unit which became payable prior to the acquisition of such Unit by the First Mortgagee or other Person. Any assessments and charges against the Unit which accrue prior to such sale or transfer shall remain the obligation of the defaulting Unit Owner.

7.8.4 The Association shall have the right, at its option, to enforce collection of any delinquent Assessments, monetary penalties and all other fees and charges owed to the Association in any manner allowed by law including, but not limited to: (a) bringing an action at law against the Unit Owner personally obligated to pay the delinquent amounts and such action may be brought without waiving the Assessment Lien securing any such delinquent amounts; or (b) bringing an action to foreclose the Assessment Lien in the manner provided by law for the foreclosure of a realty mortgage. The Association shall have the power to bid in at any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey any and all Units purchased at such sale.

7.9 Certificate of Payment. The Association or the Association's managing agent, upon receipt of a written request, shall furnish to a lienholder, Unit Owner or Person designated by a Unit Owner a recordable statement setting forth the amount of unpaid Assessments against his Unit. The statement shall be furnished within fifteen (15) days after receipt of the request and is binding on the Association, the Board of Directors, and every Unit Owner. The Association or the Association's managing agent may charge a reasonable fee in an amount established by the Board of Directors for each such statement.

7.10 No Exemption or Offsets. No Owner may exempt himself from liability for payment of Assessments, monetary penalties and other fees and charges levied pursuant to the Condominium Documents by waiver and nonuse of any of the Common Elements and facilities or by the abandonment of his Unit. All Assessments, monetary penalties and other fees and charges shall be payable in accordance with the provisions of this Declaration, and no offsets against such Assessments, monetary penalties and other fees and charges shall be permitted for any reason, including, without limitation, a claim that the Association is not properly exercising its duties and powers as provided in the Condominium Documents or the Condominium Act.

7.11 Initial Working Capital Fund. To provide the Association with initial operating funds, each Purchaser of a Unit from the Declarant shall pay to the Association, immediately upon becoming the Owner of the Unit, a sum equal to two monthly installments of the Regular Assessment for the Unit. Such amount shall be non-refundable and shall not be considered as an advance payment of any Assessments levied by the Association pursuant to this Declaration. The amounts paid to the Association pursuant to this Section may be used for any purpose for which Association funds may be used pursuant to Section 7.7.

7.12 Reserve Contribution.

7.12.1 Except as provided in Subsection 7.12.2, each Purchaser shall pay to the Association, immediately upon becoming the Owner of the Unit, a contribution (the "Reserve Contribution") to the reserves to be established pursuant to Section 7.14. The amount of the initial Reserve Contribution shall be set by the Board of Directors prior to the conveyance of the

first Unit to a Purchaser. The Board of Directors may from time to time thereafter increase or decrease the amount of the Reserve Contribution.

7.12.2 No Reserve Contribution shall be payable with respect to: (a) the transfer or conveyance of a Unit by devise or intestate succession; (b) a transfer or conveyance of a Unit to a family trust, family limited partnership or other Person for bona fide estate planning purposes; (c) a transfer or conveyance of a Unit to a corporation, partnership or other entity in which the grantor owns a majority interest unless the Board determines, in its sole discretion, that a material purpose of the transfer or conveyance was to avoid payment of the Reserve Contribution in which event a Reserve Contribution shall be payable with respect to such transfer or conveyance; (d) the conveyance of a Unit by a trustee's deed following a trustee's sale under a deed of trust; or (e) a conveyance of a Unit as a result of the foreclosure of a realty mortgage or the forfeiture or foreclosure of a purchaser's interest under a Recorded contract for the conveyance of real property subject to A.R.S. § 33-741, et seq.

7.12.3 All Reserve Contributions shall be deposited in the Reserve Account established pursuant to Section 7.14. Reserve Contributions shall be non-refundable and shall not be considered as an advance payment of Assessments.

7.13 Transfer Fee.

Each Purchaser shall pay to the Association, or, at the option of the Association, to the Association's managing agent, immediately upon becoming the Owner of the Unit a transfer fee in the amount set from time to time by the Board of Directors to compensate the Association for the administrative cost resulting from the transfer of a Unit. The transfer fee is not intended to compensate the Association for the costs incurred in the preparation of the statement which the Association is required to mail or deliver to a purchaser under A.R.S. § 33-1260A and, therefore, the transfer fee shall be in addition to the fee which the Association is entitled to charge pursuant to A.R.S. § 33-1260C.

7.14 Reserves.

7.14.1 The Board of Directors shall establish reserves for the future periodic maintenance, repair or replacement of the major components of the Common Elements which the Association is obligated to maintain, repair and replace. The reserves may be funded from Regular Assessments, the Reserve Contributions paid pursuant to Section 7.12, the Initial Working Capital Fund payments paid pursuant to Section 7.11 or any other revenue of the Association. All amounts designated as reserves shall be deposited by the Board of Directors in a separate bank account (the "Reserve Account") to be held for the purposes for which they are collected and are to be segregated from and not commingled with any other funds of the Association. Withdrawal of funds from the Association's reserve account shall require the signatures of either (a) two (2) members of the Board of Directors; or (b) one (1) member of the Board of Directors and an officer of the Association who is not also a member of the Board of Directors. The Board of Directors shall obtain a reserve study at least once every three years, which study shall at a minimum include (a) identification of the major components of the Common Elements which the Association is obligated to repair, replace, restore or maintain

which, as of the date of the study, have a remaining useful life of less than thirty (30) years; (b) identification of the probable remaining useful life of the identified major components as of the date of the study; (c) an estimate of the cost of repair, replacement, restoration, or maintenance of the identified major components during and at the end of their useful life; (d) an estimate of the total annual contribution necessary to defray the cost to repair, replace, restore, or maintain the identified major components during and at the end of their useful life, after subtracting total reserve funds as of the date of the study.

7.14.2 Unless the Association is exempt from Federal or State taxes, all reserves shall be accounted for as contributions to the capital of the Association and as trust funds segregated from the regular income of the Association or in any other manner authorized by law or regulation of the Internal Revenue Service that will prevent such funds from being taxed as income of the Association.

ARTICLE 8

INSURANCE

8.1 Scope of Coverage.

8.1.1 Commencing not later than the date of the first conveyance of a Unit to a Purchaser, the Association shall maintain, to the extent reasonably available, the following insurance coverage:

(a) A policy of property insurance, insuring the Common Elements under a "special cause of loss" or "all risk" policy form with sprinkler leakage, debris removal and water damage endorsements. The Board of Directors, in its discretion, may elect to have the property insurance also cover the Units, except for: (i) additions, alterations and improvements supplied or installed by the Unit Owners; and (ii) furniture, furnishings or other personal property of the Unit Owners. Such property insurance shall cover the interests of the Association, the Board of Directors and all Unit Owners and their mortgagees, as their interests may appear (subject, however, to the loss payment adjustment provisions in favor of an Insurance Trustee), in an amount equal to one hundred percent (100%) of the then current replacement cost of the insured property (exclusive of the land, excavations, foundations and other items normally excluded from such coverage), without deduction for depreciation. The replacement cost shall be reviewed annually by the Board of Directors with the assistance of the insurance company affording such coverage. The Board of Directors shall also obtain and maintain such coverage on all personal property owned by the Association.

(b) Broad form comprehensive general liability insurance, for a limit to be determined by the Board, but not less than $1,000,000 for any single occurrence and $2,000,000 in aggregate for the policy term insuring the

Association, the Board of Directors, the manager or management agent and their respective agents and employees, and the Unit Owners from liability arising out of or in connection with the use, ownership, maintenance or operation of the Common Elements. Such insurance shall cover all occurrences commonly insured against resulting in death, bodily injury, property damage and/or personal and advertising injury. Such policy shall include (i) a cross liability clause to cover liabilities of the Owners as a group to an Owner; (ii) medical payments insurance; (iii) blanket contractual liability coverage; and (iv) contingent liability coverage arising out of the use of hired and nonowned automobiles.

(c) Worker's compensation insurance to the extent necessary to meet the requirements of the laws of Arizona and, if the Association has any employees, a policy of employer's liability insurance with coverage limits determined by the Board of Directors, but not less than the limits required for excess coverage under the Umbrella Liability Policy.

(d) Directors' and officers' liability insurance in an amount not less than $1,000,000 covering all the directors and officers of the Association and naming the managing agent of the Association as an additional insured.

(e) Fidelity insurance or fidelity bonds to protect against acts and inaction on the part of its officers, directors, trustees and employees, and all others, including any manager or managing agent or other person handling the funds belonging to or administered by the Association in an amount not less than the estimated maximum of funds, including reserve funds, in the custody or control of the Association, manager or management agent, as the case may be, at any given time during the term of each policy as calculated from the current budget of the Association, but in no event less than a sum equal to three (3) months aggregate assessment plus reserve funds. Such bond shall contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

(f) Umbrella Liability Insurance at a limit determined by the Board of Directors, providing "follow form" coverage in excess of primary liability insurance required herein.

(g) Such other insurance as the Association shall determine from time to time to be appropriate to protect the Association, the members of the Board of Directors, the members of any committee or the Unit Owners.

(h) The insurance policies purchased by the Association shall, to the extent reasonably available, contain the following provisions:

(i) Each Unit Owner shall be an insured under the policy with respect to liability arising out of his ownership of an undivided interest in the

Common Elements or his membership in the Association.

(ii) There shall be no subrogation with respect to the Association, its agents, servants, and employees against Unit Owners and members of their household, except for claims against Unit Owners by members of their households for employee dishonesty or forgery.

(iii) No act or omission by any Unit Owner, unless acting within the scope of his authority on behalf of the Association, shall void the policy or be a condition to recovery on the policy.

(iv) The coverage afforded by such policy shall be primary and shall not be brought into contribution or proration with any insurance which may be purchased by Unit Owners or their mortgagees or beneficiaries under deeds of trust.

(v) A "severability of interest" endorsement which shall preclude the insurer from denying the claim of a Unit Owner because of the negligent acts of the Association or other Unit Owners.

(vi) The Association shall be the insured for use and benefit of the individual Unit Owners (designated by name if required by the insurer).

(vii) For policies of property insurance, a standard mortgagee clause providing that the insurance carrier shall notify the Association and each First Mortgagee named in the policy at least ten (10) days in advance of the effective date of any substantial change in coverage or cancellation of the policy.

(viii) Any Insurance Trust Agreement will be recognized by the insurer.

(i) If applicable, pressured, mechanical and electrical equipment coverage on a comprehensive form in an amount not less than $500,000 per accident per location.

(j) If required by any governmental or quasi-governmental agency (including, without limitation, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation) flood insurance in accordance with the applicable regulations of such agency.

8.1.2 If, at the time of a loss insured under an insurance policy purchased by the Association, the loss is also insured under an insurance policy purchased by a Unit Owner, the Association's policy shall provide primary coverage.

8.1.3 The Board of Directors may select deductibles applicable to the insurance coverage to be maintained by the Association pursuant to this Section 8.1 in order to reduce the premiums payable for such insurance. The deductible, if any, on any insurance policy obtained by the Association shall be a Common Expense, but the Association may assess to a Unit Owner any deductible amount necessitated by the negligence, misuse or neglect for which such Unit Owner is responsible.

8.1.4 Notwithstanding any of the other provisions of this Article 8 to the contrary, there may be named as an insured, on behalf of the Association, the Association's authorized representative, including any trustee with whom the Association may enter into any Insurance Trust Agreement or any successor to such trustee who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance and to perform such other functions as are necessary to accomplish such purpose. Each Unit Owner appoints the Association, or any insurance trustee or substitute insurance trustee designated by the Association, as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including: (a) the collection and appropriate disposition of the proceeds thereof; (b) the negotiation of losses and execution of releases of liability; (c) the execution of all documents; and (d) the performance of all other acts necessary to accomplish such purpose.

8.1.5 The Association and its directors and officers shall have no liability to any Owner or First Mortgagee or other Person having a lien on a Unit if, after a good faith effort, (a) the Association is unable to obtain insurance required hereunder because the insurance is no longer available; (b) if available, the insurance can be obtained only at a cost that the Board, in its sole discretion, determines is unreasonable under the circumstances; or (c) the Members fail to approve any increase in the Regular Assessment needed to pay the insurance premiums.

8.1.6 The Board of Directors shall determine annually whether the amounts and types of insurance the Association has obtained provide adequate coverage in light of increased construction costs, inflation, practice in the area in which the Condominium is located, or any other factor which tends to indicate that either additional insurance policies or increased coverage under existing policies are necessary or desirable to protect the interests of the Owners and of the Association.

8.2 General Requirements All insurance provided for in this Article 8 shall be written under valid and enforceable policies issued by insurance companies authorized and licensed to transact business in the State of Arizona with a financial strength rating of A:VII or

better from A.M. Best Company and/or A+ or better from Standard & Poor's. All such policies shall provide for a minimum of thirty (30) days advance written notice to the Association prior to the cancellation or material change of any insurance coverage under the policy.

8.3 Fidelity Bonds or Insurance.

8.3.1 The Association shall maintain blanket fidelity bonds or fidelity insurance for all officers, directors, trustees and employees of the Association and all other persons handling or responsible for funds of or administered by the Association including, but without limitation, officers, directors and employees of any management agent of the Association, whether or not they receive compensation for their services. The total amount of the fidelity bonds or fidelity insurance maintained by the Association shall be based upon the best business judgment of the Board, and shall not be less than the greater of the estimated maximum funds, including reserve funds, in the custody of the Association or the management agent, as the case may be, at any given time during the term of each bond or insurance policy, or the sum equal to three months aggregate Regular Assessments on all Units plus reserve funds. Fidelity bonds or fidelity insurance obtained by the Association must also meet the following requirements:

(a) The fidelity bonds shall name the Association as an oblige, and fidelity insurance shall name the Association as the named insured;

(b) The bonds or the insurance policies shall contain waivers by the issuers of the bonds or the insurers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions;

(c) The bonds or insurance policies shall provide that they may not be canceled or substantially modified (including cancellation from nonpayment of premium) without at least ten (10) days prior written notice to the Association and each First Mortgagee.

8.3.2 The Association shall require any management agent of the Association to maintain its own fidelity bond or fidelity insurance in an amount equal to or greater than the amount of the fidelity bond or fidelity insurance to be maintained by the Association pursuant to Subsection 8.3.1. The fidelity bond or fidelity insurance maintained by the management agent shall cover funds maintained in bank accounts of the management agent and need not name the Association as an oblige or an insured.

8.4 Payment of Premiums. Premiums for all insurance obtained by the Association pursuant to this Article shall be Common Expenses and shall be paid for by the Association.

8.5 Insurance Obtained by Unit Owners. Each Unit Owner shall obtain and maintain (a) property insurance covering the Owner's Unit and all additions, alterations, and improvements (whether installed by such Unit Owner or any prior Unit Owner or whether originally in such Owner's Unit), as well as all furniture, furnishings and other personal property

in such Owner's Unit and elsewhere on the Parcel; (b) liability insurance covering, to the extent not covered by the policies of liability insurance obtained by the Board of Directors for the benefit of all Unit Owners, such Unit Owner's liability for bodily injury, including death, and property damage arising out of the ownership, maintenance or use of the Owner's Unit, at a limit of not less than $1,000,000 applicable to each occurrence. Each Unit Owner shall provide the Board of Directors with a certificate of insurance evidencing such insurance coverage at least ten (10) days prior to the conveyance of the Unit to the Unit Owner, and thereafter at least thirty (30) days prior to the expiration of any policy.

8.6 Payment of Insurance Proceeds. Any loss covered by property insurance obtained by the Association in accordance with this Article 8 shall be adjusted with the Association and the insurance proceeds shall be payable to the Association and not to any mortgagee or beneficiary under a deed of trust. The Board shall have the right to negotiate a settlement of the loss with the insurer and shall be entitled to receive all insurance proceeds paid by the insurer with respect to such loss. The Association shall hold any insurance proceeds in trust for Unit Owners and lienholder its their interests may appear, and the proceeds shall be disbursed and applied as provided for in the Condominium Act.

8.7 Certificate of Insurance. An insurer that has issued an insurance policy pursuant to this Article 8 shall issue certificates or memoranda of insurance to the Association and, on written request, to any Unit Owner, mortgagee, or beneficiary under a deed of trust. The insurer issuing the policy shall not cancel or refuse to renew it until thirty (30) days after notice of the proposed cancellation or nonrenewal has been mailed to the Association, each Unit Owner, and each mortgagee or beneficiary under a deed of trust to whom a certificate or memorandum of insurance has been issued at their respective last known addresses.

ARTICLE 9

DESTRUCTION OF IMPROVEMENTS

9.1 Automatic Reconstruction. Any portion of the Condominium for which insurance is maintained by the Association which is damaged or destroyed shall be repaired or replaced promptly by the Association unless: (a) the Condominium is terminated; (b) repair or replacement would be illegal under any state or local health or safety statute or ordinance; or (c) eighty percent (80%) of the Unit Owners, including every Owner of a Unit or allocated Limited Common Element which will not be rebuilt, vote not to rebuild. The cost of repair or replacement of the damaged or destroyed portion of the Condominium in excess of insurance proceeds and reserves shall be a Common Expense and shall be assessed to the Members as a Special Assessment pursuant to Section 7.3.

9.2 Determination Not to Reconstruct Without Termination. If eighty percent (80%) of the Unit Owners (including every Owner of a Unit or an allocated Limited Common Element which will not be rebuilt) vote not to rebuild, and the Condominium is not terminated in accordance with the Condominium Act, the insurance proceeds shall be distributed in proportion to their interests in the Common Elements to the Owners of those Units and the Owners to which

those Limited Common Elements were allocated, or to lienholders as their interests may appear. The remainder of the proceeds shall be distributed to all Unit Owners or lienholders as their interests may appear in proportion to Common Element interests of all the Units. If the Unit Owners vote not to rebuild any Unit, that Unit's allocated interests in the Common Elements and in the Common Expenses shall be automatically reallocated as if the Unit had been condemned under A.R.S. § 33-1206A, and the Association shall prepare, execute and record an amendment to this Declaration reflecting the reallocation.

9.3 Distribution of Insurance Proceeds in the Event of Termination of the Condominium. Notwithstanding any provisions of this Article 9 to the contrary, the distribution of insurance proceeds resulting from the damage or destruction of all or any part of the Common Elements shall be distributed as provided in the Condominium Act in the event of a termination of the Condominium.

9.4 Negotiations with Insurer. The Association shall have full authority to negotiate in good faith with representatives of the insurer of any totally or partially destroyed building or any other portion of the Common Elements, and to make settlements with the insurer for less than full insurance coverage on the damage to such building or any other portion of the Common Elements. Any settlement made by the Association in good faith shall be binding upon all Owners and First Mortgagees. Insurance proceeds for any damage or destruction of any part of the Condominium covered by property insurance maintained by the Association shall be paid to the Association and not to any First Mortgagee or other lienholder. The Association shall hold any proceeds in trust for the Unit Owners and lienholders as their interests may appear. Except as otherwise provided in Sections 9.1 and 9.2, all insurance proceeds shall be disbursed first for the repair or restoration of the damaged Common Elements, and Unit Owners and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the damaged or destroyed Common Elements have been completely repaired or restored or the Condominium is terminated.

9.5 Repair of Units. Installation of improvements to, and repair of any damage to, the interior of a Unit not covered by property insurance maintained by the Association shall be made by and at the individual expense of the Owner of that Unit and shall be completed as promptly as practicable and in a lawful and workmanlike manner. Any installation or repair of improvements by an Owner shall be subject to the provisions of Section 4.3.

9.6 Priority. Nothing contained in this Article shall entitle an Owner to priority over any lender under a lien encumbering his Unit as to any portion of insurance proceeds allocated to such Unit.

ARTICLE 10

EMINENT DOMAIN

10.1 Total Taking of a Unit. If a Unit is acquired by eminent domain, or if part of a Unit is acquired by eminent domain leaving the Owner with a remnant which may not be

practically or lawfully used for any purpose permitted by this Declaration, the award must compensate the Owner for his Unit and interest in the Common Elements, regardless of whether any Common Elements are taken. Upon such a taking, unless the decree otherwise provides, that Unit's allocated interests in the Common Elements and in the Common Expenses shall automatically be reallocated to the remaining Units in proportion to their respective allocated interests immediately before the taking. Upon such a taking, the Association shall prepare, execute and record an amendment to the Declaration in compliance with the Condominium Act. Any remnant of a Unit remaining after part of a Unit is taken becomes a Common Element.

10.2 Partial Taking of a Unit. Except as provided in Section 10.1, if part of a Unit is acquired by eminent domain, the award must compensate the Owner for the reduction in the value of his Unit and interest in the Common Elements, regardless of whether any Common Elements are taken. On acquisition, unless the decree otherwise provides, that Unit's allocated interests in the Common Elements and in the Common Expenses shall be reduced in proportion to the reduction in size of the Unit and the portion of the allocated interests divested from the partially acquired Unit shall automatically be reallocated to that Unit and the remaining Units in proportion to their respective interests immediately before the taking, with the partially acquired Unit participating in the reallocation on the basis of its reduced interest.

10.3 Taking of Common Elements. If part of the Common Elements is acquired by eminent domain, the portion of the award attributable to the Common Elements taken shall be paid to the Association for the benefit of the Unit Owners, and any portion of the award attributable to the acquisition of a Limited Common Element shall be equally divided among the Owners of the Units to which that Limited Common Element was allocated at the time of the acquisition.

10.4 Taking of Entire Condominium. In the event the Condominium in its entirety is acquired by eminent domain, the Condominium is terminated and the provisions of A.R.S. § 33-1228 apply.

10.5 Priority and Power of Attorney. Nothing contained in this Article 10 shall entitle an Owner to priority over any First Mortgagee under a lien encumbering his Unit as to any portion of any condemnation award allocated to such Unit. Each Owner hereby appoints the Association as attorney-in-fact for the purpose of negotiations and settlement with the condemning authority for the acquisition of the Common Elements, or any part thereof. This power of attorney is coupled with an interest, shall be irrevocable, and shall be binding on any heirs, personal representatives, successors or assigns or an Owner.

ARTICLE 11

DISPUTE RESOLUTION

11.1 Defined Terms. As used in this Article 11, the following terms shall the meaning set forth below:

(a) **"Alleged Defect"** means any alleged defect or deficiency in the planning, design, engineering, grading, construction or development of the of the Common Elements or any Unit by a Declarant Party including, without limitation, any failure to comply with applicable building codes or federal, state or local laws, ordinances or regulations or any failure to comply with any express or implied warranty or standard of workmanship.

(b) **"Declarant Party"** means: (i) the Declarant and its members, managers, officers and employees; (ii) the entity which platted the Condominium if different from but affiliated with Declarant; (iii) the general contractor for the Condominium; (iv) the subcontractors, material suppliers, labor suppliers, architects, engineers and consultants of any of the said contractors, including but not limited to their respective members, managers, directors, officers, partners, employees, agents and independent contractors; or (v) any employee or other representative of the Declarant who serves as a director or officer of the Association.

(c) **"Claim"** means: (i) any claim or cause of action by a Claimant against a Declarant Party arising out of or related in any way to an Alleged Defect, including, without limitation, any claim or cause of action for breach of express or implied warranties, negligence or that a Declarant Party was negligent in the planning, design, engineering, grading, construction or development of the Condominium; or (ii) any claim or cause of action against a Declarant Party arising out of or in any way related to the development of the Condominium or the management or operation of the Association, including, without limitation, any claim for negligence, fraud, intentional misconduct or breach of fiduciary duty.

11.2 Agreement to Resolve Certain Disputes Without Litigation. The Association, all Unit Owners and all Declarant Parties agree that it is in the best interests of the Association, the Unit Owners and the Declarant Parties to encourage the amicable resolution of Claims and to resolve Claims without the emotional and financial costs of litigation. Therefore, the Association, all Unit Owners and all Declarant Parties agree that all Claims shall be resolved exclusively in accordance with the dispute resolution procedures set forth in this Article 11.

11.3 Notice of Alleged Defect. The Association or any Unit Owner who becomes aware of any Alleged Defect which could be the basis for a Claim against any Declarant Party shall give written notice (the "Notice of Alleged Defect") promptly to each Declarant Party who could be responsible for the Alleged Defect. The Notice of Alleged Defect shall state plainly and concisely: (a) the nature and location of the Alleged Defect; (b) the date on which the Association or Unit Owner giving the Notice of Alleged Defect first became aware of the Alleged Defect; and (c) whether the Alleged Defect has caused any damage to any persons or

property. Following the receipt by a Declarant Party of a Notice of Alleged Defect, the Declarant Party and any of its employees, agents, contractors, subcontractors and consultants shall have the right, upon reasonable notice to the Association or Unit Owner giving the Notice of Alleged Defect to enter onto or into, as applicable, the Common Elements or any Unit for the purposes of inspecting and/or conducting testing to determine the existence, nature and extent of the Alleged Defect and, if deemed necessary by the Declarant Party, to correct, repair and/or replace the Alleged Defect. In conducting such inspection, testing, repairs and/or replacement, the Declarant Party shall be entitled to take any actions it deems reasonable and necessary under the circumstances. Nothing set forth in this Section 11.3 shall be construed to impose any obligation on any Declarant Party to inspect, test, repair or replace any item or Alleged Defect for which the Declarant Party is not otherwise obligated under applicable law or any warranty provided by the Declarant or any other Declarant Party. The right of a Declarant Party and its employees, agents, contractors and consultants to enter, inspect, test, repair and/or replace under this Section shall be irrevocable and may not be waived or otherwise terminated, except by written document, in recordable form, executed and recorded by the Declarant Party. In no event shall any statute of limitations be tolled during the period in which a Declarant Party conducts any inspection, testing, repair or replacement of the Alleged Defect. If the Alleged Defect is not repaired or replaced to the satisfaction of the Association or Unit Owner giving the Notice of Alleged Defect within sixty (60) days after the Notice of Alleged Defect is given to the Declarant Party, then the Association or Unit Owner may proceed with the preparation of the delivery of a Notice of Claim as provided in Section 11.4.

11.4 Notice of Claim. The Association or any Unit Owner who contends or alleges to have a Claim (a "Claimant") against any Declarant Party (a "Respondent") shall notify each Respondent in writing of the Claim (the "Claim Notice"), stating plainly and concisely: (a) the nature of Claim, including, date, time, location, Persons involved, and Respondent's role in the Claim; (b) the factual and legal basis of the Claim; and (c) what Claimant wants Respondent to do or not do to resolve the Claim. In the event the Claimant is the Association and the Claim involves an Alleged Defect, the Association must provide written notice to all Members prior to delivering a Claim Notice to a Declarant Party or initiating any legal action, cause of action, proceeding, or arbitration against any Declarant Party which notice shall (at a minimum) include: (a) a description of the Claim; (b) a description of the attempts of Declarant or any other Declarant Party to correct such Alleged Defect and the opportunities provided to Declarant or any other Declarant Party to correct such Alleged Defect; (c) a certification from an engineer licensed in the State of Arizona that such Alleged Defect exists along with a description of the scope of work necessary to cure such Alleged Defect and a resume of such engineer; (d) the estimated cost to repair such Alleged Defect; (e) the name and professional background of the attorney retained by the Association to pursue the Claim and a description of the relationship between such attorney and member(s) of the Board of Directors (if any); (f) a description of the fee arrangement between such attorney and the Association; (g) the estimated attorneys' fees and expert fees and costs necessary to pursue the Claim and the source of the funds which will be used to pay such fees and expenses; (h) the estimated time necessary to conclude the action; and (i) an affirmative statement from the Board of Directors that the action is in the best interests of the Association and its Members. If the Alleged Defect is alleged to be the result of an act or omission of a person licensed by the State of Arizona under Title 20 or Title 32 of the Arizona Revised Statutes (a "Licensed Professional"), then the Claim Notice from the Association must

be accompanied by an affidavit from a Licensed Professional in the same discipline as the Licensed Professional alleged to be responsible for the Alleged Defect. The affidavit must contain the information required to be contained in a preliminary expert opinion affidavit submitted pursuant to Section 12-2602B of the Arizona Revised Statutes.

11.5 Mediation. The Claimant and the Respondent shall negotiate in good faith in an attempt to resolve the claim. If the Parties do not resolve the Claim through negotiation within thirty (30) days after the date of the Claim Notice or within such longer period as may be agreed upon by the Parties ("Termination of Negotiations"), Claimant shall have thirty (30) additional days within which to submit the Claim to mediation by the American Arbitration Association ("AAA") or such other independent mediation service selected by mutual agreement of the Claimant and the Respondent. If Claimant does not submit the Claim to mediation within thirty (30) days after Termination of Negotiations, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim. If the Parties do not settle the Claim within thirty (30) days after submission of the matter to the mediation process, or within such time as determined reasonable or appropriate by the mediator, the mediator shall issue a notice of termination of the mediation proceedings ("Termination of Mediation Notice"). The Termination of Mediation Notice shall set forth when and where the Parties met, that the Parties are at an impasse, and the date that mediation was terminated.

11.6 Binding Arbitration. In the event a Claim is not resolved by mediation, the Claimant shall have ninety (90) days after the date of the Termination of Mediation Notice to submit the Claim to binding arbitration in accordance with this Section 11.6. If the Claimant fails to timely submit the Claim to arbitration, then the Claim shall be deemed waived and abandoned and the Respondent shall be relieved of any and all liability to Claimant arising out of the Claim. A Claimant may only submit a Claim in arbitration on its own behalf. No Claimant may submit a Claim in arbitration as a representative or member of a class, and no Claim may be arbitrated as a class action. All Declarant Parties agree that all Claims that are not resolved by negotiation or mediation shall be resolved exclusively by arbitration conducted in accordance with this Section 11.6. All Declarant Parties waive their right to have a Claim resolved by a court, including, without limitation, the right to file a legal action as the representative or member of a class or in any other representative capacity. The Claimant and Respondent shall cooperate in good faith to assure that all Declarant Parties who may be liable to the Claimant or Respondent with respect to the Claim are made parties to the arbitration. If the Claimant submits the Claim to binding arbitration in accordance with this Section 11.6, the arbitration shall be conducted in accordance with the following rules:

(a) **Initiation of Arbitration**. The arbitration shall be initiated by either party delivering to the other a Notice of Intention to Arbitrate as provided for in the AAA Commercial Arbitration Rules or such other rules as the AAA may determine to be applicable (the "AAA Rules").

(b) **Governing Procedures**. The arbitration shall be conducted in accordance with the AAA Rules and A.R.S. § 12-1501, et seq. In the event of a

conflict between the AAA Rules and this Section 11.6, the provisions of this Section 11.6 shall govern.

(c) **Appointment of Arbitrator**. The parties shall appoint a single Arbitrator by mutual agreement. If the parties have not agreed within ten (10) days of the date of the Notice of Intention to Arbitrate on the selection of an arbitrator willing to serve, the AAA shall appoint a qualified Arbitrator to serve. Any arbitrator chosen in accordance with this Subsection (c) is referred to in this Section 11.6 as the "Arbitrator".

(d) **Qualifications of Arbitrator**. The Arbitrator shall be neutral and impartial. The Arbitrator shall be fully active in such Arbitrator's occupation or profession, knowledgeable as to the subject matter involved in the dispute, and experienced in arbitration proceedings. The foregoing shall not preclude otherwise qualified retired lawyers or judges from acting as the Arbitrator.

(e) **Disclosure**. Any candidate for the role of Arbitrator shall promptly disclose to the parties all actual or perceived conflicts of interest involving the dispute or the parties. No Arbitrator may serve if such person has a conflict of interest involving the subject matter of the dispute or the parties. If an Arbitrator resigns or becomes unwilling to continue to serve as an Arbitrator, a replacement shall be selected in accordance with the procedure set forth in Subsection 11.6.(c).

(f) **Compensation**. The Arbitrator shall be fully compensated for all time spent in connection with the arbitration proceedings in accordance with the Arbitrator's usual hourly rate unless otherwise agreed to by the parties, for all time spent by the Arbitrator in connection with the arbitration proceeding. Pending the final award, the Arbitrator's compensation and expenses shall be advanced equally by the parties.

(g) **Preliminary Hearing**. Within thirty (30) days after the Arbitrator has been appointed, a preliminary hearing among the Arbitrator and counsel for the parties shall be held for the purpose of developing a plan for the management of the arbitration, which shall then be memorialized in an appropriate order. The matters which may be addressed include, in addition to those set forth in the AAA Rules, the following: (i) definition of issues; (ii) scope, timing and types of discovery, if any; (iii) schedule and place(s) of hearings; (iv) setting of other timetables; (v) submission of motions and briefs; (vi) whether and to what extent expert testimony will be required, whether the Arbitrator should engage one or more neutral experts, and whether, if this is done, engagement of experts by the parties can be obviated or minimized; (vii) whether and to what extent the direct testimony of witnesses will be received by affidavit or written witness statement; and (viii) any other matters which may promote the efficient, expeditious, and cost-effective conduct of the proceeding.

(h) **Management of the Arbitration**. The Arbitrator shall actively manage the proceedings as the Arbitrator deems best so as to make the proceedings expeditious, economical and less burdensome than litigation.

(i) **Confidentiality**. All papers, documents, briefs, written communication, testimony and transcripts as well as any and all arbitration decisions shall be confidential and not disclosed to anyone other than the Arbitrator, the parties or the parties' attorneys and expert witnesses (where applicable to their testimony), except that upon prior written consent of all parties, such information may be divulged to additional third parties. All third parties shall agree in writing to keep such information confidential.

(j) **Hearings**. Hearings may be held at any place within Yavapai County, Arizona designated by the Arbitrator and, in the case of particular witnesses not subject to subpoena at the usual hearing site, at a place where such witnesses can be compelled to attend.

(k) **Final Award**. The Arbitrator shall promptly (but, in no event later than sixty (60) days following the conclusion of the proceedings or such longer period as the parties mutually agree) determine the claims of the parties and render a final award in writing. The Arbitrator may award the prevailing party in the proceeding all or a part of such party's reasonable attorneys' fees and expert witness fees, taking into account the final result of arbitration, the conduct of the parties and their counsel in the course of the arbitration, and other relevant factors. The Arbitrator shall not award any punitive damages. The Arbitrator shall not award indirect, consequential or special damages regardless of whether the possibility of such damage or loss was disclosed to, or reasonably foreseen by the party against whom the claim is made. The Arbitrator shall assess the costs of the proceedings (including, without limitation, the fees of the Arbitrator) against the non-prevailing party.

11.7 Right to Enter, Inspect, Repair and/or Replace. Following the receipt by a Declarant Party of a Claim Notice with respect to an Alleged Defect, the Declarant Party and its employees, agents, contractors, subcontractors and consultants shall have the right, upon reasonable notice to Claimant and during normal business hours, to enter onto or into, as applicable, the Common Elements and any Unit for the purposes of inspecting and/or conducting testing to determine the validity of the Claim and, if deemed necessary by the Declarant Party, to correct, repair and/or replace the Alleged Defect. In conducting such inspection, testing, repairs and/or replacement, the Declarant Party shall be entitled to take any actions as it shall deem reasonable and necessary under the circumstances. Nothing set forth in this Section 11.7 shall be construed to impose any obligation on any Declarant Party to inspect, test, repair, or replace any item or Alleged Defect for which the Declarant Party is not otherwise obligated. The right of a Declarant Party and its employees, agents, contractors and consultants to enter, inspect, test, repair and/or replace reserved hereby shall be irrevocable and may not be waived or otherwise terminated except by a written document, in recordable form, executed and Recorded by the

Declarant Party. In no event shall any statutes of limitations be tolled during the period in which a Declarant Party conducts any inspection, testing, repair or replacement of any Alleged Defects.

11.8 Use of Funds. Any judgment, award or settlement received by a Claimant in connection with a Claim involving an Alleged Defect shall first be used to correct and/or repair such Alleged Defect or to reimburse the Claimant for any costs actually incurred by such Claimant in correcting and/or repairing the Alleged Defect. If the Claimant receiving the judgment, award or settlement is the Association, any excess funds remaining after repair of such Alleged Defect shall be paid into the Association's reserve fund.

11.9 Approval of Arbitration or Litigation. The Association shall not deliver a Claim Notice to any Declarant Party or commence any legal action or arbitration proceeding or incur legal expenses (including without limitation, attorneys' fees) in connection with any Claim without the written approval of Unit Owners entitled to cast more than eighty percent (80%) of the total votes in the Association, excluding the votes of any Unit Owner who would be a defendant in such proceedings. The Association must pay for any such legal action or mediation or arbitration proceeding with monies that are specifically collected for such purposes and may not borrow money or use reserve funds or other monies collected for specific Association obligations other than legal fees. In the event that the Association commences any legal action or arbitration proceeding involving a Claim, all Unit Owners must notify prospective purchasers of their Unit of such legal action or arbitration proceeding and must provide such prospective purchasers with a copy of the notice received from the Association in accordance with Section 11.4.

11.10 Statute of Limitations. All statutes of limitations applicable to Claims shall apply to the commencement of arbitration proceedings under Section 11.6. If the arbitration proceedings are not initiated within the time period provided by Arizona law for the filing of a legal action with respect to the Clam, the Claim shall forever be barred.

11.11 Federal Arbitration Act. Because many of the materials and products incorporated into the Condominium are manufactured in other states, the development and conveyance of the Units evidences a transaction involving interstate commerce and the Federal Arbitration Act (9 U.S.C. §1, et. seq.) now in effect or as it may be hereafter amended, will govern the interpretation and enforcement of the arbitration provisions of this Declaration.

11.12 Conflicts. In the event of any conflict between this Article 11 and any other provision of the Condominium Documents, this Article 11 shall control. In the event of any conflict between the provisions of this Article 11 and the terms of any express warranty provided to a Purchaser by a Declarant or any third party home warranty company in connection with the purchase of a Unit from a Declarant, the provisions of the express warranty shall control; provided, however, that if the Claim is being asserted by the Association, the approval of the members of the Association required by Section 11.9 must be obtained prior to the Association demanding arbitration of the Claim or filing any legal action with respect to the Claim.

BY ACCEPTANCE OF A DEED OR BY ACQUIRING A UNIT, EACH PERSON, FOR HIMSELF, HIS HEIRS, PERSONAL REPRESENTATIVES, SUCCESSORS,

TRANSFEREES AND ASSIGNS, AGREES TO HAVE ANY CLAIM RESOLVED ACCORDING TO THE FEDERAL ARBITRATION ACT, THE ARIZONA REVISED STATUTES PERTAINING TO THE ARBITRATION OF DISPUTES TO THE EXTENT NOT INCONSISTENT WITH THE FEDERAL ARBITRATION ACT AND THE PROVISIONS OF THIS ARTICLE 11 AND WAIVES THE RIGHT TO PURSUE ANY DECLARANT PARTY IN ANY MANNER OTHER THAN AS PROVIDED IN ARTICLE 11. THE ASSOCIATION, EACH UNIT OWNER AND DECLARANT ACKNOWLEDGE THAT BY AGREEING TO RESOLVE ALL CLAIMS AS PROVIDED IN THIS ARTICLE 11, THEY ARE GIVING UP THEIR RESPECTIVE RIGHTS TO HAVE SUCH CLAIM TRIED BEFORE A JURY. THE ASSOCIATION, EACH UNIT OWNER AND DECLARANT FURTHER WAIVE THEIR RESPECTIVE RIGHTS TO AN AWARD OF PUNITIVE AND CONSEQUENTIAL DAMAGES RELATING TO A CLAIM. BY ACCEPTANCE OF A DEED OR BY ACQUIRING A UNIT, EACH UNIT OWNER VOLUNTARILY ACKNOWLEDGES THAT HE IS GIVING UP ANY RIGHTS HE MAY POSSESS TO PUNITIVE AND CONSEQUENTIAL DAMAGES OR THE RIGHT TO A TRIAL BEFORE A JURY RELATING TO A CLAIM.

IF A UNIT OWNER OR THE ASSOCIATION FILES A CIVIL ACTION ASSERTING ANY CLAIM AGAINST ANY DECLARANT PARTY INSTEAD OF COMPLYING WITH THE DISPUTE RESOLUTION PROVISIONS OF THIS ARTICLE 11 (OR THE OTHER DISPUTE RESOLUTION PROVISIONS, AS APPLICABLE), THE PARTY AGGRIEVED BY THE FILING MAY APPLY TO THE YAVAPAI COUNTY SUPERIOR COURT FOR AN ORDER DISMISSING THE CIVIL ACTION AND COMPELLING THE FILING PARTY TO SUBMIT THE CLAIM TO THE DISPUTE RESOLUTION PROVISIONS APPLICABLE THERETO. THE APPLYING PARTY SHALL BE ENTITLED TO IMMEDIATE ENTRY OF AN ORDER OF DISMISSAL AND A MANDATORY AWARD OF ATTORNEY'S FEES AND TAXABLE COSTS INCURRED IN COMPELLING COMPLIANCE WITH THE APPLICABLE DISPUTE RESOLUTION PROVISION.

IN THE EVENT THE ARBITRATION PROVISIONS OF THIS ARTICLE 11 ARE HELD NOT TO APPLY OR ARE HELD INVALID OR UNENFORCEABLE FOR ANY REASON, ALL DISPUTES SHALL BE TRIED BEFORE A JUDGE IN A COURT OF COMPETENT JURISDICTION WITHOUT A JURY. EACH OWNER IN THE ASSOCIATION, BY ACCEPTING A DEED TO ANY PORTION OF THE PROPERTY, HEREBY WAIVE AND COVENANT NOT TO ASSERT THEIR CONSTITUTIONAL RIGHT TO TRIAL BY JURY OF ANY DISPUTES, INCLUDING, BUT NOT LIMITED TO, DISPUTES RELATING TO CONSTRUCTION DEFECTS, MISREPRESENTATION OR DECLARANT'S FAILURE TO DISCLOSE MATERIAL FACTS. THIS MUTUAL WAIVER OF JURY TRIAL SHALL BE BINDING UPON THE RESPECTIVE SUCCESSORS AND ASSIGNS OF SUCH PARTIES AND UPON ALL PERSONS AND ENTITIES ASSERTING RIGHTS OR CLAIMS OR OTHERWISE ACTING ON BEHALF OF DECLARANT, ANY OWNER, THE ASSOCIATION OR THE RESPECTIVE SUCCESSORS AND ASSIGNS.

ARTICLE 12

RIGHTS OF FIRST MORTGAGEES

12.1 Notification to Mortgagees. Upon receipt by the Association of a written request from a First Mortgagee or insurer or governmental guarantor of a First Mortgage informing the Association of its correct name and mailing address and number of address of the Unit to which the request relates, the Association shall provide such Eligible Mortgage Holder or Eligible Insurance Or Guarantor with timely written notice of the following:

(a) Any condemnation or any casualty loss that affects either a material portion of the Condominium or the Unit securing its First Mortgage;

(b) Any 60-day delinquency in the payment of Assessments or charges owed by the Owner of any Unit on which the Eligible Mortgage Holders or Eligible Insurer Or Guarantor holds a First Mortgage;

(c) Any lapse, cancellation or material modification of any insurance policy maintained by the Association; and

(d) Any proposed action which requires the consent of a specified percentage of Eligible Mortgage Holders or Eligible Insurers Or Guarantors as set forth in Section 12.2.

12.2 Approval Required for Amendment to Declaration, Articles or Bylaws.

12.2.1 Except in cases of amendments that may be executed by a Declarant in the exercise of its Development Rights or under Section 33-1220 of the Condominium Act, by the Association under Section 33-1206 or 33-1216(D) of the Condominium Act, or by certain Unit Owners under Section 33-1218(B), Section 33-1222, Section 33-1223 or Section 33-1228(B) of the Condominium Act, any amendments to the Condominium Documents of a material adverse nature to First Mortgagees must be agreed to by Eligible Mortgage Holders or Eligible Insurers Or Guarantors that represent at least fifty-one percent (51%) of the votes in the Association allocated to Units that are subject to First Mortgages held or insured by Eligible Mortgage Holders or Eligible Insurers Or Guarantors.

12.2.2 Any action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs or for other reasons must be agreed to by the Eligible Mortgage Holders or Eligible Insurers Or Guarantors that represent at least fifty-one percent (51%) of the votes of Units subject to First Mortgages held or insured by Eligible Mortgage Holders or Eligible Insurers Or Guarantors.

12.2.3 Any Eligible Mortgage Holder or Eligible Insurance Or Guarantor who receives a written proposal for an amendment to the Condominium Documents who fails to submit a response to the proposal within sixty (60) days after the Eligible Mortgage Holder or Eligible Insurer Or Guarantor receives proper notice of the proposal shall be deemed to have

approved the proposed amendment, provided the notice was delivered by certified or registered mail, with a "return receipt" requested.

12.3 Prior Written Approval of First Mortgagees. Except as provided by statute in case of condemnation or substantial loss to the Units or the Common Elements or as provided in this Declaration or the Condominium Act, unless at least two-thirds (2/3) of all First Mortgagees (based upon one vote for each First Mortgage owned) or Unit Owners (other than the Declarant or other sponsor, developer or builder of the Condominium) of the Units have given their prior written approval, the Association shall not be entitled to:

(a) By act or omission, seek to abandon or terminate this Declaration or the Condominium;

(b) Change the pro rata interest or obligations of any individual Unit for the purpose of: (i) levying Assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) determining the pro rata share of ownership of each Unit in the Common Elements;

(c) Partition or subdivide any Unit;

(d) By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements shall not be deemed a transfer within the meaning of this Subsection;

(e) Use Hazard insurance proceeds for losses to any Units or the Common Elements for any purpose other than the repair, replacement or reconstruction of such Units or the Common Elements.

Nothing contained in this Section or any other provisions of this Declaration shall be deemed to grant the Association the right to partition any Unit without the consent of the Unit Owners thereof. Any partition of a Unit shall be subject to such limitations and prohibitions as may be set forth elsewhere in this Declaration or as provided under Arizona law.

12.4 Prohibition Against Right of First Refusal. Any right of first refusal in the Condominium Documents will not apply to/adversely impact the rights of a First Mortgagee to: (a) foreclose or take title to a Unit pursuant to the remedies in the Mortgage; (b) accept a deed or assignment in lieu of foreclosure in the event of default by a mortgagor; or (c) sell or lease a Unit acquired by the First Mortgagee.

12.5 Conflicting Provisions. In the event of any conflict or inconsistency between the provisions of this Article and any other provision of the Condominium Documents, the provisions of this Article shall prevail; provided, however, that in the event of any conflict or inconsistency between the different Sections of this Article or between the provisions of this Article and any other provision of the Condominium Documents with respect to the number or

percentage of Unit Owners or Eligible Mortgage Holders or Eligible Insurers Or Guarantors, that must consent to (a) an amendment of the Condominium Documents, (b) a termination of the Condominium, or (c) certain actions of the Association as specified in Sections 12.2 and 12.3, the provision requiring the consent of the greatest number or percentage of Unit Owners or Eligible Mortgage Holders or Eligible Insurers Or Guarantors shall prevail; provided, however, that the Declarant shall have the right to unilaterally amend this Declaration, the Articles or the Bylaws during the Period of Declarant Control in order to (a) comply with the Condominium Act or any other applicable law if the amendment does not adversely affect the rights of any Unit Owner, (b) correct any error or inconsistency in the Declaration, the Articles or the Bylaws if the amendment does not adversely affect the rights of any Unit Owner, or (c) comply with the requirements or guidelines in effect from time to time of any governmental or quasi-governmental entity or federal corporation guaranteeing or insuring mortgage loans or governing transactions involving mortgage instruments including, without limitation, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the Department of Veterans Affairs.

ARTICLE 13

GENERAL PROVISIONS

13.1 Enforcement. The Association may enforce the Condominium Documents in any manner provided for in the Condominium Documents or by law or in equity, including, but not limited to:

(a) imposing reasonable monetary penalties after notice and an opportunity to be heard is given to the Unit Owner or other violator. A Unit Owner shall be responsible for payment of any fine levied or imposed against a Lessee or Occupant of the Owner's Unit or by any Invitee of the Unit Owner or any Lessee or Occupant;

(b) suspending a Unit Owner's right to vote;

(c) suspending any Person's right to use any facilities within the Common Elements; provided, however, nothing herein shall authorize the Board to limit ingress or egress to or from a Unit;

(d) suspending any services provided by the Association to a Unit Owner or the Owner's Unit if the Unit Owner is more than fifteen (15) days delinquent in paying any assessment or other charge owed to the Association;

(e) exercising self-help or taking action to abate any violation of the Condominium Documents provided, however, that judicial proceedings must be instituted before any items of construction can be altered or demolished;

(f) requiring a Unit Owner, at the Unit Owner's expense, to remove any Improvement installed or constructed in such Owner's Unit or in any Limited Common Element allocated to the Owner's Unit in violation of this Declaration and to restore the Unit or the Limited Common Element to its previous condition and, upon failure of the Unit Owner to do so, the Board of Directors or its designee shall have the right to enter the property, remove the violation and restore the property to substantially the same condition as previously existed and any such action shall not be deemed a trespass and all costs incurred by the Association shall be paid to the Association by the Unit Owner upon demand by the Association;

(g) without liability to any person, prohibiting any contractor, subcontractor, agent, employee or other invitee of a Unit Owner who fails to comply with the terms and provisions of the Condominium Documents from continuing or performing any further activities of the Condominium;

(h) towing vehicles which are parked in violation of this Declaration or the Rules;

(i) filing a suit at law or in equity to enjoin a violation of the Condominium Documents, to compel compliance with the Condominium Documents, to recover monetary penalties or money damages or to obtain such other relief as to which the Association may be entitled;

(j) recording a written notice of a violation of any restriction or provision of the Condominium Documents. The notice shall be executed and acknowledged by an officer of the Association and shall contain substantially the following information: (i) the legal description of the Unit against which the notice is being recorded; (ii) a brief description of the nature of the violation; and (iii) a statement of the specific steps which must be taken by the Unit Owner to cure the violation. Recordation of a Notice of Violation shall serve as a notice to the Unit Owner and to any subsequent purchaser of the Unit that there is a violation of the provisions of the Condominium Documents.

The Association shall not be obligated to take any enforcement action if the Board of Directors determines, in its sole discretion, that because of the strength of possible defenses, the time and expense of litigation or other enforcement action, the likelihood of a result favorable to the Association, or other facts deemed relevant by the Board of Directors, enforcement action would not be appropriate or in the best interests of the Association.

Any Unit Owner may enforce the Condominium Documents in any manner provided for in this Declaration or at law or in equity, except that a Unit Owner may not exercise any remedy provided to the Association by this Declaration or enforce payment of any Assessments or other amounts payable to the Association pursuant to the Condominium Documents.

All rights and remedies of the Association under the Condominium Documents or at law or in equity are cumulative, and the exercise of one right or remedy shall not waive the Association's right to exercise another right or remedy. The failure of the Association or an Owner to take enforcement action with respect to a violation of the Condominium Documents shall not constitute or be deemed a waiver of the right of the Association or any Owner to enforce the Condominium Documents in the future. If any lawsuit is filed by the Association or any Owner to enforce the provisions of the Condominium Documents or in any other manner arising out of the Condominium Documents or the operations of the Association, the prevailing party in such action shall be entitled to recover from the other party all attorney fees incurred by the prevailing party in the action.

13.2 Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

13.3 Duration. The covenants and restrictions of this Declaration, as amended from time to time, shall run with and bind the Condominium in perpetuity unless the Condominium is terminated as provided in Section 13.4.

13.4 Termination of Condominium. Except in the case of a taking of all the Units by eminent domain, the Condominium may be terminated only by the agreement of Unit Owners of Units to which at least eighty percent (80%) of the votes in the Association are allocated. An agreement to terminate the Condominium must be evidenced by the execution or ratifications of a termination agreement, in the same manner as a deed by the requisite number of Unit Owners.

13.5 Amendment.

13.5.1 Except in cases of amendments that may be executed by a Declarant in the exercise of its Development Rights or under Section 33-1220 of the Condominium Act, by the Association under Section 33-1206 or 33-1216(D) of the Condominium Act, or by certain Unit Owners under Section 33-1218(B), Section 33-1222, Section 33-1223 or Section 33-1228(B) of the Condominium Act, the Declaration, including the Plat, may be amended only by a vote of the Unit Owners to which at least sixty-seven percent (67%) of the votes in the Association are allocated.

13.5.2 Except to the extent expressly permitted or required by the Condominium Act, an amendment to this Declaration shall not create or increase Special Declarant Rights, increase the number of Units or change the boundaries of any Unit, the Allocated Interest of a Unit, or the use as to which any Unit is restricted, in the absence of unanimous consent of the Unit Owners. Any amendment to this Declaration adopted by the Unit Owners during the Period of Declarant Control must be approved in writing by the Declarant. After the expiration of the Period of Declarant Control, an amendment to this Declaration shall not amend or delete any provisions of Section 4.19, Article 11 or this Subsection 13.5.2 in the absence of the unanimous consent of the Unit Owners.

13.5.3 An amendment to the Declaration shall not terminate or decrease any unexpired Development Right, Special Declarant Right or Period of Declarant Control unless the Declarant approves the amendment in writing. No amendment to Article 11 shall be effective unless the Declarant approves the amendment in writing even if the Declarant no longer owns any Unit at the time of such amendment.

13.5.4 During the Period of Declarant Control, the Declarant shall have the right to amend the Declaration, including the Plat, to: (a) comply with the Condominium Act or any other applicable law if the amendment does not adversely affect the rights of any Unit Owner; (b) correct any error or inconsistency in the Declaration if the amendment does not adversely affect the rights of any Unit Owner; or (c) comply with the rules or guidelines in effect from time to time of any governmental or quasi-governmental entity or federal corporation guaranteeing or insuring mortgage loans or governing transactions involving mortgage instruments, including without limitation, the Department of Veterans Affairs, the Federal Housing Administration, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation.

13.5.5 Any amendment adopted by the Unit Owners pursuant to Subsection 13.5.1 shall be signed by the President or Vice President of the Association and shall be Recorded within thirty (30) days after the adoption of the amendment. Any such amendment shall certify that the amendment has been approved as required by this Section. Any amendment made by the Declarant pursuant to Subsection 13.5.4 or the Condominium Act shall be executed by the Declarant and shall be Recorded.

13.6 Notices. All notices, demands, statements or other communications required to be given to or served on a Unit Owner under this Declaration shall be in writing and shall be deemed to have been duly given and served if delivered personally or sent by United States mail, postage prepaid, return receipt requested, addressed to the Unit Owner, at the address which the Unit Owner shall designate in writing and file with the Association or, if no such address is designated, at the address of the Unit of such Owner. A Unit Owner may change his address on file with the Association for receipt of notices by delivering a written notice of change of address to the Association. A notice given by mail, whether regular, certified, or registered, shall be deemed to have been received by the person to whom the notice was addressed on the earlier of the date the notice is actually received or three days after the notice is mailed. If a Unit is owned by more than one person, notice to one of the Owners shall constitute notice to all Owners of the same Unit. Each Unit Owner shall file his correct mailing address with the Association, and shall promptly notify the Association in writing of any subsequent change of address.

13.7 Gender. The singular, wherever used in this Declaration, shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions of this Declaration apply either to corporations or individuals, or men or women, shall in all cases be assumed as though in each case fully expressed.

13.8 Topic Headings. The marginal or topical headings of the sections contained in this Declaration are for convenience only and do not define, limit or construe the contents of the sections or of this Declaration. Unless otherwise specified, all references in this Declaration to Articles of Sections refer to Articles and Sections of this Declaration.

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

13.10 Construction. In the event of any discrepancies, inconsistencies or conflicts between the provisions of this Declaration and the Articles, Bylaws or the Association Rules, the provisions of this Declaration shall prevail.

13.11 Joint and Several Liability. In the case of joint ownership of a Unit, the liabilities and obligations of each of the joint Unit Owners set forth in, or imposed by, the Condominium Documents shall be joint and several.

13.12 Guests and Tenants. Each Unit Owner shall be responsible for compliance by his agents, tenants, guests, invitees, licensees and their respective servants, agents, and employees with the provisions of the Condominium Documents. A Unit Owner's failure to insure compliance by such Persons shall be grounds for the same action available to the Association or any other Unit Owner by reason of such Unit Owner's own noncompliance.

13.13 Attorneys' Fees. In the event the Declarant, the Association or any Unit Owner employs an attorney or attorneys to enforce a lien or to collect any amounts due from a Unit Owner or to enforce compliance with or recover damages for any violation or noncompliance with the Condominium Documents, the prevailing party in any such action shall be entitled to recover from the other party his reasonable attorneys' fees incurred in the action.

13.14 Number of Days. In computing the number of days for purposes of any provision of the Condominium Documents, all days shall be counted including Saturdays, Sundays and holidays; provided, however, that if the final day of any time period falls on a Saturday, Sunday or holiday, then the next day shall be deemed to be the next day which is not a Saturday, Sunday or holiday.

13.15 Declarant's Right to Use Similar Name. The Association hereby irrevocably consents to the use by any other nonprofit corporation which may be formed or incorporated by Declarant of a corporate name which is the same or deceptively similar to the name of the Association provided one or more words are added to the name of such other corporation to make the name of the Association distinguishable from the name of such other corporation. Within five (5) days after being requested to do so by the Declarant, the Association shall sign such letters, documents or other writings as may be required by the Arizona Corporation Commission in order for any other nonprofit corporation formed or incorporated by the Declarant to use a corporate name which is the same or deceptively similar to the name of the Association.

PARK PLACE SEDONA, LLC, an Arizona limited liability company

By: _____

Its: VICE PRESIDENT

PARK PLACE RESIDENCES SEDONA, LLC, an Arizona limited liability company

By: Park Place Sedona, LLC, an Arizona limited liability company

Its: Member

By: _____

Its: VICE PRESIDENT

STATE OF ARIZONA)
) ss.
County of Yavapai)

The foregoing instrument was acknowledged before me this 16TH day of NOVEMBER, 2005, by BENJAMIN H. MILLER, the VICE PRESIDENT of Park Place Sedona, LLC, an Arizona limited liability company, on behalf of the company.

"OFFICIAL SEAL"
Patricia A. Johnson
Notary Public-Arizona
Yavapai County
My Commission Expires 6/10/2007

Patricia A. Johnson
Notary Public

My Commission Expires:
JUNE 10, 2007

SEAL

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STATE OF ARIZONA)
) ss.
County of Yavapai)

The foregoing instrument was acknowledged before me this 16TH day of NOVEMBER, 2005, by BENJAMIN H. MILLER, the VICE PRESIDENT of Park Place Sedona, LLC, an Arizona limited liability company, the Member of Park Place Residences Sedona, LLC, an Arizona limited liability company, on behalf of the company.

"OFFICIAL SEAL"
Patricia A. Johnson
Notary Public-Arizona
Yavapai County
My Commission Expires 6/10/2007

SEAL

Patricia A. Johnson
Notary Public

My Commission Expires:
JUNE 10, 2007

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EXHIBIT A

**LEGAL DESCRIPTION OF
PROPERTY SUBMITTED TO CONDOMINIUM**

A parcel of land being a portion of the West half of Section 15, Township 17 North, Range 5 East of the Gila and Salt River Meridian in Yavapai County, Arizona, said parcel being more particularly described as follows:

BEGINNING at the most Westerly corner of Lot 163 of the Foothills South, Unit Two subdivision according to the amended plat thereof recorded in Book 22 of Maps & Plats, Pages 73 and 74 of the Yavapai County Recorder's Office, said corner being on the Southerly right-of-way line of Arizona Highway 89-A, and from which, a ½" re-bar with cap stamped "LS 2049" (hereinafter referred to as "POINT A") found at the intersection of the easement line and the lot line common to lots 162 and 163, as shown on said plat of Foothills South, Unit Two, bears N 70°28'58" E a distance of 187.13 feet, and also from said Point of Beginning a ½" re-bar with cap stamped "LS 14184", set as a witness corner, bears S 56°23'16" E a distance of 5.20 feet;

THENCE from said point of BEGINNING, along the Southwesterly line of said Lot 163, S 56°23'16" E a distance of 166.66 feet to a ½" re-bar with cap stamped "LS 14184" set at the most Southerly corner of said Lot 163, said point also being on the Westerly right-of-way line of Calle Feliz per said plat of Foothills South, Unit Two;

THENCE along said Westerly right-of-way line, being a non-tangent curve concave to the Northeast having a radius of 120.00 feet, chord bearing of S 23°43'37" E and central angle of 37°18'39", an arc distance of 78.14 feet to a ½" re-bar with cap stamped "LS 14184" set at a Point of Reversed Curvature;
THENCE along a tangent curve concave to the West, having a radius of 27.89 feet, chord bearing of S 00°59'05" W and central angle of 86°43'56", an arc distance of 42.22 feet to a ½" re-bar with cap stamped "LS 14184" set at a Point of Reversed Curvature, said point being on the Northwesterly right-of-way line of El Camino Real per said plat of Foothills South, Unit Two;

THENCE along said Northwesterly right-of-way line, being a tangent curve concave to the Southeast, having a radius of 900.00 feet, chord bearing of S 39°58'43" W and central angle of 08°44'38", an arc distance of 137.35 feet to a ½" re-bar with cap stamped "LS 14184" set at a Point of Reversed Curvature;
THENCE continuing along said Northwesterly right-of-way line, being a tangent curve concave to the Northwest, having a radius of 6,035.58 feet, chord bearing of S 43°10'05" W and central angle of 15°07'22", an arc distance of 1,593.04 feet to a ½" re-bar with cap stamped "LS 14184" (set), from which a ½" re-bar with cap stamped "LS 2049" (hereinafter referred to as "POINT B"), found at the intersection of the easement line and the lot line common to lots 109 and 110, as shown on said plat of Foothills South, Unit Two, bears N 71°20'45" E a distance of 230.82 feet;

THENCE departing said Northwesterly right-of-way line, N 39°16'14" W a distance of 240.64 feet to a point on the Southerly right-of-way line of Arizona Highway 89-A;

THENCE along said Southerly right-of-way line, being a non-tangent curve concave to the Northwest having a radius of 5,795.58 feet, chord bearing of N 49°40'14" E and central angle of 02°07'59", an arc distance of 215.76 feet to the West corner of the "City of Sedona Parcel" as it is described in that certain Special Warranty Deed recorded in Book 3766 of Official Records, Page 300 of the Yavapai County Recorder's Office;

THENCE along the boundaries of said "City of Sedona Parcel" the following courses:
S41°29'13"E a distance of 17.17 feet;
N48°31'47"E a distance of 21.34 feet;
N41°29'13"W a distance of 17.18 feet to said Southerly right-of-way line of Arizona Highway 89-A;

THENCE along said Southerly right-of-way line, being a non-tangent curve concave to the Northwest having a radius of 5,795.58 feet, chord bearing of N46°13'06" E and central angle of 04°20'59", an arc distance of 439.98 feet to the West corner of "Additional Right-of-Way" described as Parcel 2 on Page 15 of Exhibit "A" of the "Amended Final Order of Condemnation" recorded in Book 4122 of Official Records, Page 262 of the Yavapai County Recorder's Office;

THENCE along the boundaries of said "Additional Right-of-Way" the following courses:
S46°15'35"E a distance of 12.47 feet (S46°11'01"E ~ 11.83' rec.);
Northeasterly along a non-tangent curve concave to the Northwest having a radius of 5,822.03 feet, chord bearing of N43°46'24"E and central angle of 00°12'47", an arc distance of 21.64 feet (21.60' rec.);
N46°14'42"W a distance of 12.41 feet (N46°23'47"W ~ 11.77' rec.) to said Southerly right-of-way line of Arizona Highway 89-A;

THENCE along said Southerly right-of-way line of Arizona Highway 89-A, being a non-tangent curve concave to the Northwest, having a radius of 5,795.58 feet, chord bearing of N38°43'33"E and central angle of 10°12'25", an arc distance of 1,032.45 feet to the point of BEGINNING.

THE BASIS OF BEARINGS FOR THIS DESCRIPTION IS BETWEEN "POINT A" AND "POINT B" AS DESCRIBED HEREINBEFORE. THE BEARING AND DISTANCE BETWEEN SAID POINTS ARE S33°32'04"W ~ 1,743.60' (S33°32'04"W ~ 1,743.25' AS CALCULATED FROM RECORD DIMENSIONS PER SAID PLAT OF FOOTHILLS SOUTH, UNIT TWO)

EXCEPT FOR Buildings 100, 101, 102, 103-A, 103-B, 104, 105-A, 105-B, 106, 107, 108 and 109, as shown on the Final Plat of Park Place Condominium recorded in Book 55, Page 14, in the records of the County Recorder of Yavapai County, Arizona.

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EXHIBIT B

DESCRIPTION OF ADDITIONAL PROPERTY

Buildings 100, 101, 102, 103-A, 103-B, 104, 105-A, 105-B, 106, 107, 108 and 109, as shown on the Final Plat of Park Place Condominium recorded in Book 55, Page 14, in the records of the County Recorder of Yavapai County, Arizona.

EXHIBIT C

ALLOCATION OF UNDIVIDED INTEREST IN COMMON ELEMENTS AND COMMON EXPENSES

Unit	Square Footage	Percentage Undivided Interest
7	1,910	7.23%
8	2,325	8.80%
9	1,723	6.52%
10	2,125	8.04%
11	1,723	6.52%
12	2,125	8.04%
13	1,910	7.23%
14	1,608	6.08%
15	1,910	7.23%
16	1,608	6.08%
17	1,608	6.08%
18	2,125	8.04%
19	1,608	6.08%
20	2,125	8.04%
TOTAL	26,433	100%

Ana Wayman-Trujillo, Recorder
OFFICIAL RECORDS OF YAVAPAI COUNTY
PARK PLACE SEDONA LLC ARES
B-4335 P-123
11/16/2005 10:58A
14.00 3942287

B-4335 P-123
Page: 1 of 4
ARES 3942287

When Recorded Mail To:

MARISCAL, WEEKS, MCINTYRE & FRIEDLANDER, P.A.
2901 North Central Avenue
Suite 200
Phoenix, Arizona 85012
Attention: Donald E. Dyekman, Esq.

FIRST AMENDMENT TO CONDOMINIUM DECLARATION FOR PARK PLACE CONDOMINIUM

FEE $5 $8 $5 $1 $1

This First Amendment to Condominium Declaration for Park Place Condominium (this "First Amendment") is made as of this 16th day of November, 2005, by Park Place Sedona, LLC, an Arizona limited liability company, and Park Place Residences Sedona, LLC, an Arizona limited liability company (collectively the "Declarant").

RECITALS

A. Declarants caused a Condominium Declaration for Park Place Condominium (the "Declaration") recorded in Book 4335, Page 122, records of Yavapai County, Arizona, submitting certain real property described in the Declaration to a condominium pursuant to the Arizona Condominium Act, A.R.S. § 33-1201, et seq.

B. Unless otherwise defined in this First Amendment, each capitalized term used in this First Amendment shall have the meaning given to such term in the Declaration.

C. Section 2.10 of the Declaration reserved to the Declarant the right to expand the Condominium by annexing and subjecting to the Declaration all or any part of the Additional Property. Section 2.10 of the Declaration further provides that an amendment annexing all or any portion of the Additional Property may divide the Additional Property being annexed into separate phases and may provide for different effective dates for the annexation of each phase.

D. The Declarant desires to annex and subject the Additional Property to the Declaration in accordance with the terms of this First Amendment.

AMENDMENT

NOW, THEREFORE, the Declarant amends the Declaration as follows:

1. For purposes of this First Amendment, each of Buildings 100, 101, 102, 103-A, 103-B, 104, 105-A, 105-B, 106, 107, 108, and 109, as shown on the Plat shall be considered a separate "Phase" of the Additional Property. The effective date of this First Amendment with respect to each Phase (which will be the date the Phase will be annexed and subjected to the Declaration) shall be the date (the "Effective Date") on which the first Unit in the Phase is conveyed to a Purchaser. Upon the Effective Date of the annexation of each Phase, the Phase shall be annexed and subjected to the Declaration. Upon the Effective Date of the annexation of each Phase, the undivided interest in the Common Elements and in the Common Expenses shall be reallocated among all the Units then subject to the Declaration so that each Unit's percentage of undivided interest in the Common Elements and in the Common Expenses of the Association shall be the percentage obtained by dividing the square footage of the Unit by the total square footage of all Units then subject to the Declaration. In addition, upon the Effective Date of the annexation of each Phase, the total number of votes in the Association shall be increased to equal the number of Units then subject to the Declaration with the votes being allocated equally among all the Units so that each Unit has one (1) vote.

2. The Additional Property contains a total of 74 Units. The Identifying Numbers of the Units within the Additional Property are 1 through 6, inclusive, and 21 through 88, inclusive.

3. All of the Additional Property, except for the Units, shall be Common Elements.

4. The following portions of the Common Elements in the Additional Property shall be Limited Common Elements and are allocated to the exclusive use of one Unit as follows:

(a) Any chute, flue, pipe, duct, wire, conduit or other fixture (including, but not limited to, heating and air conditioning units and related equipment and natural gas, cable television, water and electric pipes, lines or meters), located outside of the boundaries of a Unit, which serve only one Unit are a Limited Common Element allocated solely to the Unit served;

(b) If a chute, flue, pipe, duct, wire, conduit or other fixture (including, but not limited to, hot water heaters, heating and air conditioning units and related equipment and natural gas, cable television, water and electric pipes, lines or meters) lies partially within and partially outside the designated boundaries of a Unit, the portion outside the boundaries of the Unit which serve only the Unit is a Limited Common Element allocated solely to the Unit, the use of which is limited to the Unit served;

(c) All doors and windows in the boundary walls of a Unit are Limited Common Elements allocated to the Unit. The glazing, sashes, frames, sills, thresholds, hardware, flashing and other components of the doors and windows are part of the doors and

windows allocated as Limited Common Elements.

(d) Each Unit is allocated the Balcony adjoining the Unit as shown on the Plat. The boundaries of each Balcony shall be as follows: (i) the lower boundary shall be the unfinished floor of the Balcony; (ii) the upper boundary shall be the unfinished ceiling of the Balcony; and (iii) the vertical boundaries shall be vertical planes corresponding to the exterior wall of the Building and the inside surface of the railing of the Balcony extended to the upper and lower boundaries.

(e) Each Unit is allocated the Patio adjoining the Unit as shown on the Plat. The boundaries of each Patio should be as follows: (i) the lower boundary shall be the unfinished concrete floor of the Patio; (ii) the upper boundary shall be a horizontal plane having an elevation equal to the elevation of the finished ceiling of the Unit to which the Patio is allocated; and (iii) the vertical boundaries shall be the vertical planes corresponding to the exterior wall of the Building in which the Unit is located and interior unfinished surfaces of the fence enclosing the Patio.

5. All the Development Rights and Special Declarant Rights granted to or reserved by the Declarant in the Declaration shall apply to the Additional Property.

6. Except as amended by this First Amendment, the Declaration shall remain unchanged and in full force and effect.

PARK PLACE SEDONA, LLC, an Arizona limited liability company

By: _____ BENJAMIN H. MILLER

Its: VICE PRESIDENT

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11/10/05

PARK PLACE RESIDENCES SEDONA, LLC, an Arizona limited liability company

By: Park Place Sedona, LLC, an Arizona limited liability company

Its: Member

By: _____
Its: VICE PRESIDENT

STATE OF ARIZONA)
) ss.
County of YAVAPAI)

The foregoing instrument was acknowledged before me this 16TH day of NOVEMBER, 2005, by BENJAMIN H. MILLER, the VICE PRESIDENT of Park Place Sedona, LLC, an Arizona limited liability company, on behalf of the company.

"OFFICIAL SEAL"
Patricia A. Johnson
Notary Public-Arizona
Yavapai County
My Commission Expires 6/10/2007

SEAL

Patricia A. Johnson
Notary Public

My Commission Expires:
JUNE 10, 2007

STATE OF ARIZONA)
) ss.
County of YAVAPAI)

The foregoing instrument was acknowledged before me this 16TH day of NOVEMBER, 2005, by BENJAMIN H. MILLER, the VICE PRESIDENT of Park Place Sedona, LLC, an Arizona limited liability company, the Member of Park Place Residences Sedona, LLC, an Arizona limited liability company, on behalf of the company.

"OFFICIAL SEAL"
Patricia A. Johnson
Notary Public-Arizona
Yavapai County
My Commission Expires 6/10/2007

SEAL

Patricia A. Johnson
Notary Public

My Commission Expires:
JUNE 10, 2007

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11/10/05

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release ("Agreement") is made and entered into as of this 8th day of June, 2004, by and between Miller Bros. Real Estate and Investments, Inc., ("Miller Bros."), an Arizona corporation and the City of Sedona ("City"), a municipal corporation.

RECITALS

A. Miller Bros. is the fee title owner of approximately 9.66 acres at the intersection of Highway 89A and Bristlecone Pines Road within the city limits of the City and designated as Yavapai County Assessor Parcel No. 408-11-140Z ("Subject Parcel").

B. There are presently pending in Yavapai County Superior Court, two separate actions, CV 82003-0338 and CV82004-0112, both captioned Miller Bros. Real Estate and Investments, Inc. v. City of Sedona, et al. ("Pending Litigation") based on a Notice of Claim filed by the Miller Bros. against the City regarding the same subject matter as the Pending Litigation. The current members of the City Council are named as additional defendants ("Council Member Defendants") in the Pending Litigation solely in their official capacities as duly elected members of the Sedona, Arizona City Council.

C. The complaints and other pleadings in the Pending Litigation set forth the Parties' disputes regarding various issues including development review approval and preliminary plat approval for the Park Place project ("Project" or "Development") on the Subject Parcel, including but not limited to, City Case No. DEV2002-16 and SUV2002-8.

D. A mediation conference was held in the Pending Litigation on Thursday, May 13, 2004 before Gary L. Birnbaum as mediator at which time a settlement was agreed upon subject to certain conditions and under certain terms. A Mediation Conference Memorandum setting forth the conditions and the basic terms of the agreed conditional settlement was signed on that same date by Duane Miller on behalf of the Miller Bros., by the Mayor on behalf of the City, and by the respective counsel for the Miller Bros. and the City. Per said Memorandum, the parties desire to settle and resolve their disputes and the Pending Litigation, subject to the conditions set forth below and on the terms set forth below.

THEREFORE for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Incorporation of Recitals**. The above recitals are true and correct and are incorporated as part of the Agreement by this reference.

2. **Conditions of Settlement**. As an absolute condition of the settlement, this Agreement and all referenced City approvals, including but not limited to, agreed upon approvals for DEV2002-16 and SUV2002-8 and the Development Agreement attached as Exhibit A must be validly and properly approved at properly noticed public hearing(s) by or before July 1, 2004 such that the City is fully and validly bound by the terms of this Agreement.

As an absolute condition of the settlement, this Agreement must be approved by Cecil Miller before the date of the properly noticed public hearing(s) of the City referenced above; and Cecil Miller, through the counsel for Miller Bros. shall give written notice of such approval before said public hearing(s).

Unless the City and Cecil Miller timely approve the settlement, then the Mediation Conference Memorandum and the settlement and this Agreement shall be null and void and of no force or effect whatsoever, and the Pending Litigation shall continue as if there had not been an agreed upon conditional settlement.

The Parties acknowledge that the City can only be bound after appropriate formal votes at valid and properly noticed public hearing(s), and therefore the City and its counsel shall only sign this Agreement, if appropriate, after the referenced public hearing(s) have occurred. The Miller Bros. and its counsel shall sign this Agreement before said public hearing(s).

Any variance of any nature whatsoever from the terms of this Agreement by the City in the formal votes at the referenced public hearing(s) shall entitle the Miller Bros. in its sole and absolute discretion to declare this Agreement null and void and of no force and effect whatsoever, and if so declared in writing, then the Pending Litigation shall continue as if there had not been an agreed upon conditional settlement.

3. **Dismissal of Pending Litigation.** Within sixty (60) days following the satisfaction of the conditions set forth in paragraph 2 above, the Parties shall file a Stipulation to Dismiss the Pending Litigation, with each Party to bear its own costs and attorneys' fees.

4. **Mutual Release.** Subject to the conditions set forth in paragraph 2 above and except for the approvals and/or obligations created by this Agreement, the Parties mutually release each other as follows:

A. Release of the City. Miller Bros. together with any and all parent, subsidiary or affiliated corporation, partnership, trust, limited liability companies and other business entities owned or affiliated with it, and their present and former members, officers, directors, employees and

attorneys, hereby fully, finally and forever release and discharge the City and the Council Member Defendants together with any and all parent, subsidiary or affiliated corporations, partnerships, trust, limited liability companies and other business entities, owned or affiliated with them and their present and former members, officers, directors and employees, of and from any and all manner of action or actions, cause or causes of action, liabilities, suits, debts, accounts, bonds, covenants, contracts, controversies, torts, agreements, promises, judgments, claims and demands whatsoever in law or in equity which the Miller Bros. may have had, now has or which it may have for or by reason of any manner, cause or thing whatsoever, relating to the Pending Litigation up to and including the date of this Agreement. The Miller Bros. acknowledge and agree that the releases given herein cover any and all claims relating in any way to the Pending Litigation whether or not known at the time this Agreement is executed.

B. Release of Miller Bros. The City on behalf of itself and also on behalf of the Council Member Defendants together with any and all parent, subsidiary or affiliated corporation, partnership, trust, limited liability companies and other business entities owned or affiliated with them, and their present and former members, officers, directors, employees and attorneys, hereby fully, finally and forever release and discharge the Miller Bros. together with any and all parent, subsidiary or affiliated corporations, partnerships, trust, limited liability companies and other business entities, owned or affiliated with Miller Bros. and their present and former members, officers, directors and employees, of and from any and all manner of action or actions, cause or causes of action, liabilities, suits, debts, accounts, bonds, covenants, contracts, controversies, torts, agreements, promises, judgments, claims and demands whatsoever in law or in equity which they may have had, now have or which it may have for or by reason of any manner, cause or thing

whatsoever, relating to the Pending Litigation up to and including the date of this Agreement. The City acknowledges and agrees that the releases given herein cover any and all claims relating in any way to the Pending Litigation whether or not known at the time this Agreement is executed.

5. **Substantive Settlement Terms.**

A. The City shall approve the Miller Bros. Development Review Application and Preliminary Subdivision Plat (DEV2002-16 and SUB2002-8) under the following terms, conditions and stipulations.

(i) The Development shall not exceed 90 condominium units;

(ii) The livable square footage of the Development shall not exceed that stated in the referenced Development Review and Subdivision Plat Applications as originally filed by the Miller Bros.;

(iii) Non-landscaped areas of the Development shall not exceed 50% of the development area, and landscaped areas shall be defined to include both natural and revegetated areas;

(iv) The east/west linear length of the western-most building, the second western-most building and the fourth western-most building within the Development directly fronting on Highway 89A (building numbers 106, 105A and 104A/B) shall be no greater than 150 linear feet each; provided, however, that the north/south depth of those same buildings may be increased pursuant to a plan and in accordance with the City's relevant and clearly defined specific requirements regarding issues such as lot coverage. Any unbuilt area resulting from this reduction in east/west linear length of these buildings shall become landscaped area under a revised plan. The planned garage configurations, sizes and locations shall be unaffected by this provision.

(v) Public art shall be installed at or near the Development's main entrance and/or its west boundary and/or the west boundary of the adjacent Commercial Parcel (which is defined as the approximately 7.5 acre parcel owned in fee title by an affiliate of the Miller Bros.) at a location or locations selected jointly by the Miller Bros. and the City and designed to assure maximum visibility for east bound traffic on Highway 89A. The public art shall be selected by the Miller Bros, subject to the reasonable approval of the City. The Miller Bros. shall bear the cost of such public art which shall be at least $25,000, and the consent to any expenditure in excess of that amount may be withheld by the Miller Bros. in its sole and absolute discretion. The public art shall be selected and installed not later than the date of issuance of a Certificate of Occupancy for the first building in the Development.

(vi) Secondary egress from the Subject Parcel through the Commercial Parcel shall be provided by the Miller Bros. at its sole cost and expense. This secondary egress roadway shall be a one-way only, exit roadway for the Subject Parcel only and shall be subject to relocation in the sole and absolute discretion, and at the sole cost and expense, of the Miller Bros. Such egress roadway shall be constructed and initially available for project construction purposes on or before the date a curb cut is established on Highway 89A for project construction purposes, and then later shall be available for project egress.

(vii) The roadway composition shall be ABC or similar composition until the earlier of (a) the date on which building permits for at least 75% of the project buildings have been obtained; or (b) three years from the date of issuance of the first building permit, at which time paving of the secondary egress roadway shall be required ("Trigger Date"). Upon request by ADOT at any time (or installation by ADOT of appropriate signage or median construction) left turns out of

the project onto Highway 89A shall be prohibited; provided, however that such left turns shall be prohibited as of the Trigger Date if requested in writing by the City. The secondary egress roadway (ABC and then later paved) shall be constructed to the City's engineering department standards, including the requirement of a paved area proximate to the intersection of the secondary egress roadway and Red Rock Loop Road before ultimate paving of the entire such roadway as set forth above.

(viii) The above terms, conditions and stipulations supersede any conflicting terms, conditions and stipulations for Case No. DEV2002-16, Case SUB2002-8, AP2003-3, and any other previous cases regarding the Development as originally approved by the Planning and Zoning Commission and as denied and then amended by the City Council.

B. Within twenty (20) days of the satisfaction of the conditions set forth in paragraph 2 above, the City shall pay to the Miller Bros. the sum of $50,000.00 by City warrant or check, supported by good and immediately available funds, payable to the trust account of the Miller Bros. undersigned counsel and shall be delivered to such counsel at its Phoenix, Arizona office on or before such date. At the City's option, in its sole and absolute discretion, in lieu of such payment, the City may provide to the Miller Bros. a credit against any and all building permit fees or similar charges associated with the Development in the same amount of $50,000, with such credit to be utilized at any time, from time to time, within 60 months of May 13, 2004. The City shall make its election in writing either to make the cash payment or to provide the $50,000 in credits by or before July 1, 2004.

C. With respect to the Commercial Parcel, the City shall approve and execute the Development Agreement in substantially the form attached as Exhibit A and incorporated by this reference which provides for a certain density reallocations as set forth therein.

D. After the satisfaction of the conditions set forth in paragraph 2 above, the Parties shall proceed as expeditiously as reasonably possible to final subdivision plat approval so that the construction of the Development may proceed as soon as reasonably possible.

6. **Entire Agreement.** This Agreement together with the Exhibits constitutes the entire Agreement between the parties with respect to the subject matter hereof. This Agreement may be altered, amended or revoked only in writing signed by all the Parties hereto. The Parties hereby agree that all prior, contemporaneous, oral or written agreements between and among themselves and their agents, representatives or attorneys relating to the subject matter of this Agreement are merged into or revoked by this Agreement.

7. **Time is of the Essence.** Time is of the essence of this Agreement in each and every provision hereof. In the event the last day permitted for any performance under this Agreement falls on a Saturday, Sunday or legal holiday, the time for performance shall be extended to the next day which is not a Saturday, Sunday or legal holiday.

8. **Binding Effect, Choice of Law**. All of the provisions hereof shall bind and inure to the benefit of the parties hereto, their respective heirs, legal representatives, assigns and successors. The City acknowledges that the Miller Bros. may transfer, assign, and convey its rights and obligations under this Agreement. This Agreement shall be governed by the laws of the State of Arizona.

9. **Further Documentation**. The parties agree to enter into and execute such other and further agreements, as may be reasonably necessary to effectuate the terms and intentions of this Agreement.

10. **Attorneys' Fees**. Each party shall bear its own respective legal fees and costs arising out of this Agreement. If any legal action or proceeding is brought for the enforcement of or for a declaration of rights and duties under this Agreement because of an alleged dispute, breach, or default arising out of this Agreement, the successful or prevailing party shall be entitled to recover reasonable attorneys' fees and other costs or expense incurred in that action or proceeding, including, but not limited to, expert witness fees, in addition to any other relief to which such party may be entitled.

11. **Notices**. Any notice, demand or communication under or in connection with this Agreement shall be in writing and shall be given at the address specified below or at such other address any such party specifies in writing. Such notice shall be deemed given upon personal delivery.

If to Miller Bros.: Benjamin H. Miller
Miller Bros., LLC
15 Cultural Park Place, Ste. 1
Sedona, AZ 86336

With copies to: Martin A. Aronson
John T. Moshier
Morrill & Aronson, P.L.C.
One East Camelback Road
Suite 340
Phoenix, Arizona 85012

If to City: Dick Ellis, Mayor
Pat Sullivan, City Clerk
City of Sedona
102 Roadrunner Drive
Sedona, Arizona 86336

With a copies to: Michael Goimarac, Esq.
City Attorney
City of Sedona
102 Roadrunner Drive
Sedona, Arizona 86336

And

C. Brad Woodford, Esq.
Moyes Storey
3003 North Central Avenue
Suite 1250
Phoenix, Arizona 85012-2902

12. **Counterparts**. This Agreement may be executed in one or more counterparts. When this Agreement has been properly executed by each of the parties, it shall constitute a valid Agreement though each of the signatories may have executed separated counterparts hereof.

13. **Facsimile Signatures**. To facilitate execution of this Agreement, the parties agree that signatures may be transmitted by electronic facsimile and that any and all such signatures transmitted by electronic facsimile shall have the same force and effect as original executed signatures.

14. **No Admission.** It is understood and agreed that this settlement is the compromise and settlement of disputed claims and does not constitute an admission of any fact, or of liability with respect to any claim, by any Party.

15. **Construction.** The Parties hereto acknowledge and agree that this Agreement is the product of negotiation and that the Agreement shall not be construed against the principal drafter.

DATED as of this 16 of June, 2004.

MILLER BROS. REAL ESTATE AND INVESTMENT, INC.

By: _____

Its. President

CITY OF SEDONA

By: _____

Its: Mayor

APPROVED BY:

_____

Martin A. Aronson
Morrill & Aronson, PLC
Attorney for Miller Bros.

_____

C. Brad Woodford
Moyes Storey
Attorney for City of Sedona

_____

Michael Goimarac
City Attorney
City of Sedona

_____

Cameron Artigue
Gammage & Burnham
Attorney for City of Sedona

EXHIBIT A

When recorded, return to:

John O'Brien
Community Development
City of Sedona
102 Roadrunner Drive
Sedona, Arizona 86336

DEVELOPMENT AGREEMENT

This Development Agreement ("Agreement") is entered into as of this 8th day of June, 2004 by and between the City of Sedona, Arizona, an Arizona municipal corporation and Miller Brothers LLC, an Arizona limited liability company ("Miller Brothers" or "Developer").

RECITALS

A. A.R.S.§ 9-500.05 authorizes the City to enter into an agreement with landowners or any other persons having an interest in real property located in the City.

B. The Subject Property is approximately 8.19 acres located at the southeast corner of Highway 89A and Red Rock Loop Road in the City. Part of the Subject Property, the Residential Portion, is approximately 0.7729 acres. Part of the Subject Property, the Remainder Portion, is approximately 7.425 acres. The Subject Property, the Residential Portion, and the Remainder Portion are all legally described and depicted on the attached Exhibits.

C. At one time, the Subject Property consisted of five designated Assessor Parcel Numbers, namely 408-11-140P, 408-11-140W, 408-11-140Y, 408-11-396B, and 408-11-403A, with formerly designated Assessor Parcel Number 408-11-140P including both the Residential Portion and a part the Remainder Portion. All of these former Assessor Parcel Numbers have been consolidated into a single Lot pursuant to the City Land Development Code which Lot has a single Assessor Parcel Number, namely 408-11-430.

D. The City's Community Plan has designated the Remainder Portion as a Focused Activity Center. The current zoning as of this date on the Residential Portion is RS-18a, and the current zoning as of this date on the Remainder Portion is C-1.

E. The City desires to obtain those public benefits which will accrue from the Residential Portion being maintained as open space and also from the development of the Remainder Portion as

further economic development in the City and the generation of additional tax revenues to the City.

Now therefore in consideration of the terms and conditions contained in this Agreement, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. RECITALS

The Parties hereby acknowledge that the recitals are true and correct, and that they are incorporated into this Agreement by this reference.

2. RESIDENTIAL PORTION AS OPEN SPACE

As a condition of development of the Remainder Portion, the Developer agrees that the Residential Portion shall be maintained in perpetuity as greenbelt/open space with natural vegetation. Developer shall continue to hold fee title ownership to the Residential Portion as private property, and the public shall not have access to said open space.

3. DENSITY CALCULATION ON REMAINDER PORTION

The Developer shall be entitled to lot coverage and square footage increase on the Remainder Portion which shall be calculated on the entire Subject Property notwithstanding that the Residential Portion is zoned residential and the Remainder Portion has a different zoning and may be developed under a different zoning category. The manner in which such a calculation shall be made, under the Remainder portion's current C-1 zoning, the Remainder Portion would be entitled to a density calculation which will be calculated as follows:.77 acres, (33,669 sq. ft.) x 25% lot coverage x 2 (for allowed two-story development) = 16,835 square feet of commercial development. In addition, without guaranteeing the final outcome, and in order to allow the increase in density, the Parties agree to each use their best efforts to rezone the Remainder Portion to PD Planned Development District or other zoning district which would be compatible with the community plan; and, the Parties further agree to each use their best efforts to assure (a) that such PD or other zoning on the Remainder Portion shall include a minimum of 178,555 square feet of total commercial buildings as the measurement of development density calculated as above in this Paragraph 3 for the area of the entire Subject Property and (b) that such rezoning to PD or other zoning district shall consider the Residential Portion as open space in all development approval calculations as set forth in Paragraph 2 above and (c) that such PD or other rezoning shall include other normal

and typical conditions and stipulations, but shall not include unusual or onerous conditions and stipulations of development.

4. STATEMENT OF PUBLIC PURPOSE

The City is entering into this Agreement in furtherance of various policies of the City including, but not limited to, the desire for open space and appropriate economic development and other issues related to public health, welfare and safety.

5. REPRESENTATIONS

5.1. Developer Representations. Developer represents and warrants that (a) it is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Arizona, (b) its execution, delivery and performance of this Agreement is duly authorized, (c) that Developer shall execute all documents and take all action necessary to implement and enforce this Development Agreement, (d) that the representations made by Developer in this Development Agreement are truthful to the best of its knowledge and belief, and (e) that, in any litigation, Developer shall take the position and argue that this Agreement is valid and binding by its terms.

5.2. City Representations. City represents and warrants (a) that its execution, delivery and performance of this Development Agreement has been duly authorized and entered into in compliance with all the ordinances and codes of City, (b) that this Development Agreement is enforceable in accordance with its terms, (c) that City shall execute all documents and take all action necessary to implement and enforce this Development Agreement, (d) that the representations made by City to Developer in this Development Agreement are truthful to the best of its knowledge and belief, and (e) that, in any litigation, City shall take the position and argue that this Agreement is valid and binding by its terms.

6. DEFAULTS AND REMEDIES.

6.1. Events Constituting Developer Default. Developer shall be deemed to be in default under this Agreement if (a) Developer commits a material breach of any obligation required to be performed by Developer herein, and (b) such breach continues for a period of thirty (30) days after written notice thereof by City, Developer fails to commence the cure of such breach and, thereafter, to diligently pursue the same to completion.

6.2. Remedies to City. In the event of a Developer Default, which default is not cured within any applicable cure

period, City shall have the right to seek and obtain all legal and equitable remedies otherwise available to it including, but not limited to, specific performance.

6.3. Events of Default by City. City shall be deemed to be in default under this Agreement if (a) City commits a material breach of any obligation required to be performed by City herein, including, without limitation, the failure to provide appropriate approvals as specified herein, and such breach continues, for a period of thirty (30) days after written notice by Developer.

6.4. Remedies of Developer. In the event City is in default herein, which default is not cured within the cure period, Developer shall have all legal and equitable remedies available to it including, but not limited to, specific performance.

7. MISCELLANEOUS

7.1. Notices. Unless otherwise specifically provided herein, all notices, demands or other communication is given hereunder shall be in writing and shall be deemed to have been duly delivered upon personal delivery or confirmed facsimile transmission

To Developer:
Miller Bros., LLC
Attn: Benjamin H. Miller
Manager, Real Estate and Investments
15 Cultural Park Place, Ste. 1
Sedona, AZ 86336

Copy to:

Martin A. Aronson
Morrill & Aronson
One East Camelback Road, Suite 340
Phoenix, Arizona 85012
Facsimile No. (602) 285-9544

To City:
City of Sedona
Attn: Sedona Community Development Director
102 Roadrunner Drive
Sedona, Arizona 86336
Facsimile No.

Copy to:

Michael Goimarac, Esq.
City Attorney
City of Sedona
102 Roadrunner Drive
Sedona, Arizona 86336
Facsimile No. (928) 204-7188

And

C. Brad Woodford, Esq.
Moyes Storey
1850 North Central Avenue
Suite 1100
Phoenix, Arizona 85004
Facsimile No. (602) 274-9135

Notice of address may be changed by either party by giving written notice to the other party as provided herein.

7.2. Amendments. This Agreement may be amended only by a mutual written agreement fully executed by the parties hereto which if so executed may amend any part of this Agreement including, but not limited to, Paragraph 2 above.

7.3. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Arizona. This Agreement shall be deemed made and entered into in Yavapai County.

7.4. Waiver. No waiver by either party of a breach of any of the terms, covenants or conditions of this Agreement shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, covenant or condition herein contained.

7.5. Severability. In the event that any phrase, clause, sentence, paragraph, section, article or other portion of this Agreement shall become illegal, null or void or against public policy, for any reason, or shall be held by any court of competent jurisdiction to be illegal, null or void or against public policy, the remaining portions of this Agreement shall not be affected thereby and shall remain in force and effect to the fullest extent permissible by law, provided that the fundamental purposes of this Development Agreement are not defeated by such severability. A fundamental purpose of this Agreement, from the Developer's perspective, are the density calculations in Paragraph 3 above. Further, any Court considering any term alleged to be invalid,

illegal, or unenforceable shall modify any challenged provision to the extent required to make it valid, legal and enforceable provided that the fundamental purposes of this Development Agreement are not defeated by such modification.

7.6. Exhibits. All exhibits attached hereto are incorporated herein by reference as though fully set forth herein. The exhibits are as follows:

Exhibit A Legal Description and Depiction of Subject Property
Exhibit B Legal Description and Depiction of Residential Portion
Exhibit C Legal Description and Depiction of Remainder Portion
Exhibit D Lot Designation of Subject Property

7.7. Entire Agreement. This Agreement and the exhibits hereto constitute the entire agreement between the parties hereto pertaining to the subject matter hereof and all prior and contemporaneous agreements, representations, negotiations and understandings of the parties hereto, oral or written, are hereby superseded and merged herein.

7.8. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall constitute one and the same instrument.

7.9. Consents and Approvals. City and Developer shall at all times act reasonably and in good faith with respect to any and all matters which require either party to review, consent or approve any act or matter hereunder.

7.10. Mutual Benefits. City and Developer agree that in making the promises contained in this Development Agreement that certain benefits and advantages will accrue to both parties as a result of the performance of this Agreement, and that therefore this Agreement is being entered into in reliance upon the actual benefits afforded each of the parties.

7.11. Conflict of Interest. No member, official or employee of City may have any direct or indirect interest in this Development Agreement, nor participate in any decision relating to the Development Agreement which is prohibited by law. All parties hereto acknowledges that this Agreement is subject to cancellation pursuant to the provisions of Arizona Revised Statutes § 38-511.

7.12. Enforcement by Either Party. This Agreement shall be enforceable by any Party hereto notwithstanding any change

hereafter in any applicable general plan, specific plan, zoning ordinance, subdivision ordinance or building ordinance adopted by City which substantially changes, alters or amends the applicability of said plans or ordinances to the Subject Property.

7.13. Cumulative Remedies. Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by any party of one or more of such rights or remedies will not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same default or any other default by such defaulting party.

7.14. Attorneys' Fees. In any arbitration, quasi judicial or administrative proceedings or any other action in any court of competent jurisdiction, brought by either party to enforce any covenant or any of such party's rights or remedies under this Agreement, including any action for declaratory or equitable relief, the prevailing party shall be entitled to reasonable attorneys' fees and all reasonable costs, expenses and disbursements including, but not limited to, expert witness fees in connection with such action.

7.15. Assignment and Successors. This Agreement shall be binding upon, and shall inure to the benefit of the Parties hereto and their successors and assigns. It is expressly acknowledged and agreed that Developer shall have the unrestricted right to assign, transfer and convey its rights and obligations hereunder to any other person or entity. The parties agree that in the event of any such assignment an appropriate document will be prepared and executed by the Parties so that an Amendment to this Agreement can be appropriately recorded in the records of the Yavapai County Recorder reflecting the Developers assignee.

7.16. No Third Party Beneficiaries and No Partnership. This Agreement is made and entered into for the sole protection and benefit of the Parties. No person other than the Parties and their successors in interest shall have any right of action based upon any provision of this Agreement. Nothing contained in this Agreement shall create any partnership, joint venture or agency relationship between the Parties.

7.17. Recordation. Within ten (10) days after the execution of this Development Agreement, the City shall record a copy of this Development Agreement in the records of the Yavapai County Recorder. Any written amendment hereto shall be similarly recorded within ten (10) days after execution by the parties.

7.18. Time of the Essence. Time is of the essence in this Agreement.

7.19. Term. The term of this Development Agreement shall be twenty (20) years from the date of its recordation.

7.20. Review Process. The City agrees to use its reasonable efforts to expedite all the approvals relating to this Agreement.

IN WITNESS WHEREOF, City has caused this Agreement to be duly executed in its name and behalf by its Mayor and its seal to be hereunto duly affixed and attested by its City Clerk, and Developer has signed and sealed the same, on or as of the day and year first above written.

CITY OF SEDONA, ARIZONA, an Arizona municipal corporation

ATTEST:

By: Patricia K Sullivan
CITY CLERK

Dick Ellis
DICK ELLIS, MAYOR

APPROVED AS TO FORM:

Michael G. Goimarac
MIKE GOIMARAC
City Attorney

MILLER BROS., LLC

By: _____
Duane Miller
Manager, Real Estate and Investment

STATE OF ARIZONA)
)
County of Yavapai)

The foregoing Development Agreement was acknowledged before me this 8th day of June, 2004, by Mayor Dick Ellis, Mayor of the City of Sedona, Arizona, an Arizona municipal corporation, on behalf of the corporation.

My Commission Expires:

_____

OFFICIAL SEAL
PATRICIA K. SULLIVAN
NOTARY PUBLIC-ARIZONA
YAVAPAI COUNTY
My Comm. Expires Aug. 27, 2004

Patricia K Sullivan
Notary Public

STATE OF _____)
)
County of _____)

The foregoing Development Agreement was acknowledged before me this __ day of _____, 2004, by Duane Miller, the Manager, Real Estate and Investments of Miller Bros., LLC, an Arizona corporation, on behalf of the corporation.

My Commission Expires:

_____

Notary Public