

Project Application

fillable PDF available online at:
www.sedonaaz.gov/projects



City Of Sedona

Community Development Department

102 Roadrunner Drive Sedona, AZ 86336
 (928) 282-1154 • www.sedonaaz.gov/cd

Application for (check all that apply):

- | | | | |
|---|---|--------------------------------------|---|
| <input type="checkbox"/> Conceptual Review | <input type="checkbox"/> Comprehensive Review | <input type="checkbox"/> Appeal | <input type="checkbox"/> Time Extension |
| <input type="checkbox"/> Community Plan Amendment | <input type="checkbox"/> Development Review | <input type="checkbox"/> Subdivision | <input type="checkbox"/> Minor Modification |
| <input type="checkbox"/> Zone Change | <input type="checkbox"/> Conditional Use Permit | <input type="checkbox"/> Variance | |

| | | | | |
|---------------------|-----------------------|--|----------------------|--|
| Project Information | Project Name | | | |
| | Project Address | | Parcel No. (APN) | |
| | Primary Contact | | Primary Phone | |
| | Email | | Alt. Phone | |
| | Address | | City/State/ZIP | |
| Office Use Only | <i>Application No</i> | | <i>Date Received</i> | |
| | <i>Received by</i> | | <i>Fee Paid</i> | |

| | |
|---------------------|--|
| Project Description | |
|---------------------|--|

Additional Contact Information: Please complete the following for all companies/people authorized to discuss the project with the City. Please attach additional sheets if necessary.

| | | | | |
|------------|--------------|--|----------------|--|
| Contact #1 | Company | | Contact Name | |
| | Project Role | | Primary Phone | |
| | Email | | Alt. Phone | |
| | Address | | City/State/ZIP | |
| Contact #2 | Company | | Contact Name | |
| | Project Role | | Primary Phone | |
| | Email | | Alt. Phone | |
| | Address | | City/State/ZIP | |
| Contact #3 | Company | | Contact Name | |
| | Project Role | | Primary Phone | |
| | Email | | Alt. Phone | |
| | Address | | City/State/ZIP | |

LETTER OF INTENT FOR PROPOSED DEVELOPMENT
PROJECT NAME: SUNSET LOFTS

July 7, 2021

Cari Meyer, Planning Manager
Community Development
102 Roadrunner Drive
Sedona, AZ 86336-3710

Dear Ms. Meyer,

The purpose of this letter of intent is to pursue land use and related approvals for the development of a 2.5 acre (108,900 square feet) property in the City of Sedona.

PARCEL #: 408-26-030C
PROJECT ADDRESS: 220 S. SUNSET DRIVE
SEDONA, AZ
EXISTING PROJECT ZONING: CO & RM-2
PROPOSED PROJECT TYPE: MULTI-FAMILY AFFORDABLE HOUSING

PROJECT SUMMARY:

This project will comprise of (2) two story buildings serving multi-family residents with a total of 4 separate buildings and 46 units. The units will be divided into 26 two bedroom units (900 sf / unit) and 20 one bedroom units (600 sf / unit) for a combined total of 35,400 sf of unit space.

PROJECT BUILDING INFORMATION:

OF UNITS: 46 Total Units

LOCATION: 220 Sunset Drive
APN: 408-26-030C

RENTAL SQ.FT.: 35,400 sq.ft.

SQ.FT. PER UNIT: (20) twenty, One Bedroom (UNIT A) = 600 sq.ft.
(26) twenty-six, Two Bedroom (UNIT B) = 900 sq.ft.

START OF CONSTRUCTION: Approximately April 2022

TYPE OF BUILDING: (3) three - Two Story Buildings (MULTI-FAMILY RESIDENTIAL)

LAND AREA: 108,000 sq.ft. = 2.5 acres

SETBACK: CO – Commercial
Front: 10'-0"
Rear: 0'-0"
Side: 0'-0" and/or 20'-0" abutting against any R-zone property

VEHICLE PARKING: TOTAL Required: 71 parking spaces
TOTAL Provided: 62 parking spaces
49 Standard parking spaces
3 ADA parking spaces
7 Compact Parking Spaces
3 Motorcycle Parking Spaces

BICYCLE PARKING: Min. 7 Parking Spaces
Provided: 7 spaces

SITE ACCESS: (2) Two access points from Sunset Drive

OPEN SPACE: (CO) Required (20%) = 21,780 sq.ft.
Provided (41%) = 44,237 sq.ft.

LOT COVERAGE: (CO) Allowable Max Lot Coverage (80%) = 87,120 sq.ft.
Provided Lot Coverage (59%) = 64,663 sq.ft.

This project will have two-way drive aisle and will be accessed from two locations off Sunset Drive which is in close proximity to HWY 89A and it promotes a "Highly Walkable" area.

EXISTING SITE CONDITIONS:

This project is located on a 2.5 acres lot and the northern two-thirds (2/3) is currently zoned as a CO (Commercial) property and the remaining one-third (1/3) of the lot is zoned RM-2. The site has 4 sides in which 3 sides are landlocked, abutting against other private properties with no cross access or shared access between these lots. To the north (side lot line), the site abuts against a (CO) Commercial Property. To the east side (rear lot line) the property abuts against Masters Bible Church which is zoned (CO) Commercial. In addition to the rear lot line, there is a natural wash which is designated as a Floor Zone and a 100 year Flood Plain. The natural wash area is approximately 30,000 square feet (.69 acres). To the south side (side lot line), the property abuts against Casistas Tranquil which is zoned RM-3. The west side (front lot line) abuts against Sunset Drive (ROW).

CONCEPTUAL PROJECT LAYOUT:

The City of Sedona is in partnership with the owner of this development and recently has amended the contract indicating that the site will be reviewed and will follow the development design guidelines and zoning requirements for a CO (Commercial) zone. The project will be entirely and exclusively accessed from Sunset Drive. Sunset Drive will serve as the project sites sole entry and exit access points. The buildings on the site comprise of (4) four separate two story multi-family residential building structures. The largest building footprint will be located up against the 10'-0" front set back line and will provide curb appeal to Sunset Drive as well for the Community along the ROW corridor. The four buildings will be situated to maximize views of the natural wash, Capital Butte, Thunder Mountain, and Coffee Pot Rock. The natural wash gives this site a unique sense of place and we intend to enhance the natural landscape to achieve the open space the residence deserve.

OBJECTIVES AND BENEFITS:

This project will benefit the City of Sedona in the following ways:

- This will bring affordable housing to the area and sustain the local economy which will allow the residence to work and afford to live in the City of Sedona.
- Adding 35,400 square feet of affordable multi-family residential housing
- Providing a sense of community for the residents on the site and the surrounding areas
- Easy access to main roads, public transportation and offices where residents might be inclined to shop and work.
- The site includes community open spaces and courtyard with amenities which enhance the lifestyles of the residents.

LDC REQUIREMENTS AND COMPLIANCE:

- **Building Height:**

The City of Sedona will forgo any restrictions based off the R-2 zoning on the site and will only enforce CO zoning requirements for the entire site.

The project proposes a 10'-0" increase in height from 22'-0" to 32'-0". We intend to utilize all credits possible to achieve this maximum height of 32'-0". We're in compliance with LDC 2.24 (Alternate Standards Table 2.7) to increase height by 5'-0". Our pitched/gable roof slopes exceed the minimum requirement of 3-1/2:12. In addition to this 5'-0" increase request, we're also requesting another 5'-0" increase for complying with LDC 2.24 Table 2.9 (Alternate Height Standards for Wall Plane Relief and Reduced LRV). Our minimum LRV value for our entire project is 21%. We comply with this standard for we achieved +10 "Credit Point value". Combined, we have met all requirements to increase our parallel height eligibility by 10'-0" which allows for our max parallel plane to be at 32'-0".

- **Building Location and Orientation:**

Due to the landlock situation with this site, there is only (1) one side of the lot that allows for ingress and egress into the site. The (2) two access points into the site are from Sunset Drive, which is located on the west side of the property and is considered the front. On-site private circulation and pathways connects the residents to an open courtyard and open space gathering areas within Site boundaries. In addition to the connectivity within the site boundaries, there are pathways which connect the residents to Sunset Drives public sidewalk which connects to HWY 89A corridor and the trailheads to the south end of Sunset Drive.

- **Setbacks for CO (Commercial)**

The City of Sedona will forgo any restrictions based off the R-2 zoning on the site and will only enforce CO zoning requirements for the entire site.

Front: 10'-0"

Rear: 0'-0"

Side: 0'-0" or 20'-0" abutting against any R-residential district

Landscape buffer varies

- **Off-street Parking and Service Area; Circulation**

The proposed off-street parking and service areas accommodate the City Requirements for visual screening and lighting. Required Parking counts can be achieved through several different methods and design strategies. We are requesting parking credits from the City of Sedona due to the irregular site conditions which would prevent us from achieving the required parking for the density of 46 units. Our project will provide nine (9) fewer parking spaces than required by Sedona's LDC. By using the Pinon Lofts as a case study to provide the ability of functionality even with nine (9) fewer parking spaces than required.

The Pinon Lofts have provided the 80 parking spaces required per Sedona's LDC. However, only 47 parking spaces are in use as of today. This case study presents the dichotomy between Affordable Housing and the standard private apartment living.

Therefore, we are asking for the city to allow us to provide nine (9) fewer parking spaces than the LDC requires.

- **Building Massing and Articulation**

Building masses of the (3) three buildings will be distinctively separate from one another but will share common architectural character and aesthetics. The building masses achieves the City of Sedona's standards for massing for each roof has different height variations. All the elevations of the residential units will slightly have distinctively different character due to the natural grade and slope of the site which the buildings will conform to. There will be different parapet/roof ridge heights to enhance variations of architectural character and unit separation. Mechanical units will be housed inside the open web trusses with proper ventilation. Therefore, no rooftop screening requirements set forth by the City of Sedona LDC will be required.

- **Materials and Colors**

Most exterior finish materials are stucco and the colors for this project have meticulously been selected to achieve a minimum of 21% LRV. This low LRV% allows us to achieve an additional 5'-0" in increased height in conjunction with the "Wall Plane Relief" requirements. Vinyl siding will accent the stucco colors in specific areas within the elevations. The colors compliment the natural landscape colors that Sedona offers. The retention walls will be of CMU and color to match adjacent stucco colors. The project will comprise of this color palette:

DE6350 Dark Engine (LRV 5%)

DE6327 Rhinoceros (LRV 18%)

DEA158 Northern Territory (LRV 7%)

DE6118 Sandpit (LRV 21%)

Vinyl Siding Color: Espresso

Vinyl Siding Color: Slate

Roof Shingles Color: Charcoal & Hickory

- **CITIZEN PARTICIPATION PROCESS**

The Citizen outreach will be submitted separate of this application by the owner and coordinated with the City of Sedona.

CITY OF SEDONA COMMUNITY PLANS

Community Plan p. 7, 10-15 Vision: "Sedona is a community that nurtures connections between people, encourages healthy and active lifestyles, and supports a diverse and prosperous economy, with priority given to the protection of the environment".

COMMUNITY PLAN VISION:

- **Environmental Stewardship:** Sedona is known for practices that respect and protect the natural environment, and as the responsible caretaker of one of the world's greatest treasures.
- **Community Connections:** We meet this standard for our site is designed to encourage a sense of community with a central courtyard and is amplified by located all unit entrances from the courtyard area. This will encourage interactions and community dialogue within the premises of the site. In addition to this, the natural wash located on the east side of the property has potential to bring community pets together along with their owners.
- **Improved Traffic Flow:** We meet this requirement by respecting the bike path which links the bikers to trails at the south end of Sunset Drive and connects them to the main corridor of HWY 89A. We have designed a pedestrian sidewalk along Sunset Drive and will encourage the use of HWY 89A public transit system. Furthermore, we have designed a two-way traffic driveway with two entrances and exits for easy circulation in and out of

the project site. We travel efficiently throughout Sedona using safe roads, pedestrian and bicycle pathways, and convenient transit.

- **Walkability:** We meet this requirement by creating a pedestrian sidewalk on along Sunset Drive which connects to the courtyard. The existing bike lanes along Sunset Drive have been respected and are not being encroached upon but only enhanced by the design of a new pedestrian sidewalk. The pedestrian sidewalk starts at the south end of the project site and connects to the existing sidewalk to the north. The sidewalk will link the pedestrian to the HWY 89A main commercial corridor. Also, on the west side of Sunset Drive, there is another sidewalk that links a pedestrian to the south end of Sunset Drive where the trailheads are located for hiking or biking.
- **Economic Diversity:** We meet this requirement as we are an affordable housing project which caters to a diverse group of individuals who have diverse living needs. In addition to the diverse options for individual lifestyles, our project location enhances the abilities of the residence to utilize the public transportation system, biking, and walking to their employment or other destinations for shopping and entertainment.
- **Sense of Place:** We meet this requirement as we intend to enhance the natural landscape surrounding our site by adapting our architectural design to reflect the geometry of the Sedona Landscape and the natural rock formations. In addition to the architectural design, we intend to clean and enhance the natural wash located on the east side of the property.

Residential Unit Information:

(1) One Bedroom Units: 20 units
600 sq.ft. / unit

(2) Two Bedroom Units: 26 Units
900 sq.ft. / unit

One Bedroom Unit Amenities:

Compact floor plans
Unique concept
Unique Architectural Character
9'-0" ceiling heights
Full Kitchen
Pantry
Dining Room
Living Room
Energy Star Built-in Appliances
Washer/Dryer
Private balcony
Storage Space
One full bathroom

Two Bedroom Unit Amenities:

Compact floor plans
Unique concept
Unique Architectural Character
9'-0" ceiling heights
Full Kitchen
Pantry
Dining Room

Living Room
Energy Star Built-in Appliances
Washer/Dryer
Private balcony
Storage Space
Two full bathrooms

Community Amenities:

One Leasing Office
Natural Wash open space
Dog run within the Natural Wash
Community Courtyard with one barbeque grilling area

PROJECT TEAM

Architects: suoLL Architects
Civil Engineer: Sefton Engineering
Structural Engineer: PK Associates
Mechanical Engineer: NP Mechanical
Landscape Designer: Anderson Design

Sincerely,

Caroline Lobo, AIA
Principal

ORDER: 06194018

TOF:

COMMENT:

SEARCH PARAMETERS

PARCEL: 408-26-030C

(PERMIT DATEDOWNS)

| | | | | | | | | | |
|--------|---|-------------|---|-----------|--|------------|------------|----------|------------|
| □ | PARCEL: | 408-26-030C | 5 | | | | | | |
| OWNER: | STEVENS ON MICHAEL J & KATHL | | | AFFIDAVIT | | INSTRUMENT | 2020 50554 | REC DATE | 08/31/2020 |
| SITUS: | 220 SUNSET DR SEDONA | | | | | | | | |
| MAIL: | PO BOX 4142 | | | | | | | | |
| | SEDONA AZ 86340 | | | | | | | | |
| LEGAL: | SW4 SW4 SW4 SW4 CONT 2.50AC SEC 12 17 5E 717/49 | | | | | | | | |

| CURRENT TAXES | | | | | | INFORMATION THROUGH 04/30/2021 |
|--------------------------------------|----------|--------------|----------|--------------------|-----------|--------------------------------|
| | LAND | IMPR | EXEMPT | RATE | AREA | SPECIAL DISTRICTS |
| PRIMARY | 120,062 | 0 | 0 | 5.8509 | 0976 | 10001 10010 11208 11900 14900 |
| SECONDARY | 171,518 | 0 | 0 | 4.1454 | | 15001 30000 |
| 2020 TOTAL TAX BILLED | | | | 12,001.76 | | |
| 2020 | TAX AMT | TAX DUE | INTEREST | DATE PAID | TOTAL DUE | |
| FIRST HALF | 6,000.88 | 0.00 | 0.00 | 04/15/2021 | 0.00 | |
| SECOND HALF | 6,000.88 | 80.01 | 1.07 | 04/15/2021 | 81.08 | |
| TOTAL CURRENT TAXES DUE 05/21 | | | 81.08 | | | |
| | | 06/21 | 82.14 | (ESTIMATED) | | |

| | |
|-------------------|---------------------------------------|
| BACK TAXES | INFORMATION THROUGH 04/30/2021 |
|-------------------|---------------------------------------|

| |
|----------------------|
| NO BACK TAXES |
| ASSESSMENTS |

| |
|-----------------------|
| NO ASSESSMENTS |
|-----------------------|

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|--|
| ADDITIONAL PROPERTY INFORMATION |
|--|

| | |
|--------------------|----------------|
| STANDARD LAND USE: | COMMERCIAL LOT |
|--------------------|----------------|

CONDITIONS, DISCLAIMERS AND EXCLUSIONS

This Tax Certificate/Tax Order Report does not constitute a report on or certification of: (1) mineral (productive and/or non-productive) taxes or leases; (2) personal property taxes; or (3) other non ad valorem taxes (such as paving liens, stand-by charges or maintenance assessments).

Data Trace Information Services LLC ("Data Trace") may have warranted the accuracy of this Tax Certificate/Tax Order Report to its customer (the "Data Trace Customer") pursuant to the terms and conditions of a written tax service agreement between Data Trace and said Data Trace Customer (the "Tax Service Agreement"). Any such warranty (hereinafter, "Data Trace Customer Warranty") does not: (a) extend to a third party bearer of this Tax Certificate/Tax Order Report; (b) cover any changes made to the records of the taxing authority after the "payments as of," "paid," or "payment" dates delineated above; and (c) cover any invalid tax information shown on the records of the taxing authority or resulting from an error by the Data Trace Customer (including, without limitation, submission of incorrect property information by said Data Trace Customer). DATA TRACE MAKES NO WARRANTIES (EXPRESS OR IMPLIED) WITH RESPECT TO THIS TAX CERTIFICATE/TAX ORDER REPORT OTHER THAN (WHERE APPLICABLE) THE DATA TRACE CUSTOMER WARRANTY. Any and all claims under a Data Trace Customer Warranty must be submitted to Data Trace by the corresponding Data Trace Customer and are subject to the terms and conditions set forth in the pertinent Tax Service Agreement (including, without limitation, the filing deadlines applicable to such claims). In some jurisdictions Data Trace's validation of a Tax Certificate/Tax Order Report is required to activate a Data Trace Customer Warranty.

END SEARCH



First American Title™

ALTA Commitment for Title Insurance

ISSUED BY

First American Title Insurance Company

Commitment

COMMITMENT FOR TITLE INSURANCE

Issued By

FIRST AMERICAN TITLE INSURANCE COMPANY

NOTICE

IMPORTANT—READ CAREFULLY: THIS COMMITMENT IS AN OFFER TO ISSUE ONE OR MORE TITLE INSURANCE POLICIES. ALL CLAIMS OR REMEDIES SOUGHT AGAINST THE COMPANY INVOLVING THE CONTENT OF THIS COMMITMENT OR THE POLICY MUST BE BASED SOLELY IN CONTRACT.

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACONTRACTUAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

THE COMPANY'S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. THE COMPANY HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON.

COMMITMENT TO ISSUE POLICY

Subject to the Notice; Schedule B, Part I—Requirements; Schedule B, Part II—Exceptions; and the Commitment [Conditions](#), **First American Title Insurance Company**, a NEBRASKA Corporation (the "Company"), commits to issue the Policy according to the terms and provisions of this Commitment. This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, only when the Company has entered in Schedule A both the specified dollar amount as the Proposed Policy Amount and the name of the Proposed Insured.

If all of the Schedule B, Part I—Requirements have not been met within six months after the Commitment Date, this Commitment terminates and the Company's liability and obligation end.

First American Title Insurance Company



Dennis J. Gilmore
President

Greg L. Smith
Secretary

ISSUED BY

Landmark Title Assurance Agency of Arizona LLC
as agent for First American Title Insurance Company

If this jacket was created electronically, it constitutes an original document.

This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by First American Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I—Requirements; Schedule B, Part II—Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.

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COMMITMENT CONDITIONS

1. DEFINITIONS

- (a) "Knowledge" or "Known": Actual or imputed knowledge, but not constructive notice imparted by the Public Records.
- (b) "Land": The land described in Schedule A and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is to be insured by the Policy.
- (c) "Mortgage": A mortgage, deed of trust, or other security instrument, including one evidenced by electronic means authorized by law.
- (d) "Policy": Each contract of title insurance, in a form adopted by the American Land Title Association, issued or to be issued by the Company pursuant to this Commitment.
- (e) "Proposed Insured": Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.
- (f) "Proposed Policy Amount": Each dollar amount specified in Schedule A as the Proposed Policy Amount of each Policy to be issued pursuant to this Commitment.
- (g) "Public Records": Records established under state statutes at the Commitment Date for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge.
- (h) "Title": The estate or interest described in Schedule A.

2. If all of the Schedule B, Part I—Requirements have not been met within the time period specified in the Commitment to Issue Policy, this Commitment terminates and the Company's liability and obligation end.

3. The Company's liability and obligation is limited by and this Commitment is not valid without:

- (a) the Notice;
- (b) the Commitment to Issue Policy;
- (c) the Commitment Conditions;
- (d) Schedule A;
- (e) Schedule B, Part I—Requirements;
- (f) Schedule B, Part II—Exceptions; and
- (g) a counter-signature by the Company or its issuing agent that may be in electronic form.

4. COMPANY'S RIGHT TO AMEND

The Company may amend this Commitment at any time. If the Company amends this Commitment to add a defect, lien, encumbrance, adverse claim, or other matter recorded in the Public Records prior to the Commitment Date, any liability of the Company is limited by Commitment Condition 5. The Company shall not be liable for any other amendment to this Commitment.

5. LIMITATIONS OF LIABILITY

- (a) The Company's liability under Commitment Condition 4 is limited to the Proposed Insured's actual expense incurred in the interval between the Company's delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured's good faith reliance to:
 - (i) comply with the Schedule B, Part I—Requirements;
 - (ii) eliminate, with the Company's written consent, any Schedule B, Part II—Exceptions; or
 - (iii) acquire the Title or create the Mortgage covered by this Commitment.
- (b) The Company shall not be liable under Commitment Condition 5(a) if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify the Company about it in writing.
- (c) The Company will only have liability under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.
- (d) The Company's liability shall not exceed the lesser of the Proposed Insured's actual expense incurred in good faith and described in Commitment Conditions 5(a)(i) through 5(a)(iii) or the Proposed Policy Amount.
- (e) The Company shall not be liable for the content of the Transaction Identification Data, if any.
- (f) In no event shall the Company be obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I—Requirements have been met to the satisfaction of the Company.
- (g) In any event, the Company's liability is limited by the terms and provisions of the Policy.

6. LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT

This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by First American Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I—Requirements; Schedule B, Part II—Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.

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- (a) Only a Proposed Insured identified in Schedule A, and no other person, may make a claim under this Commitment.
- (b) Any claim must be based in contract and must be restricted solely to the terms and provisions of this Commitment.
- (c) Until the Policy is issued, this Commitment, as last revised, is the exclusive and entire agreement between the parties with respect to the subject matter of this Commitment and supersedes all prior commitment negotiations, representations, and proposals of any kind, whether written or oral, express or implied, relating to the subject matter of this Commitment.
- (d) The deletion or modification of any Schedule B, Part II—Exception does not constitute an agreement or obligation to provide coverage beyond the terms and provisions of this Commitment or the Policy.
- (e) Any amendment or endorsement to this Commitment must be in writing and authenticated by a person authorized by the Company.
- (f) When the Policy is issued, all liability and obligation under this Commitment will end and the Company's only liability will be under the Policy.

7. IF THIS COMMITMENT HAS BEEN ISSUED BY AN ISSUING AGENT

The issuing agent is the Company's agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not the Company's agent for the purpose of providing closing or settlement services.

8. PRO-FORMA POLICY

The Company may provide, at the request of a Proposed Insured, a pro-forma policy illustrating the coverage that the Company may provide. A pro-forma policy neither reflects the status of Title at the time that the pro-forma policy is delivered to a Proposed Insured, nor is it a commitment to insure.

9. ARBITRATION

The Policy contains an arbitration clause. All arbitrable matters when the Proposed Policy Amount is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Proposed Insured as the exclusive remedy of the parties. A Proposed Insured may review a copy of the arbitration rules at <http://www.alta.org/arbitration>.

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First American Title™

ALTA Commitment for Title Insurance

ISSUED BY

First American Title Insurance Company

Schedule A

Transaction Identification Data for reference only:

Issuing Agent: Landmark Title Assurance Agency of Arizona LLC Issuing Office: , Phoenix, AZ

Issuing Office's ALTA® Registry ID:

Loan ID No.:

Escrow Officer: Chris Maddox

Issuing Office File No.: 06194018-128-CM

Title Officer: Ramon Castillo

Property Address: 220 Sunset Dr, Sedona, AZ 86336

Revision No.: Amended: July 28, 2021, Amendment No.

SCHEDULE A

1. Commitment Date: July 16, 2021
2. Policy to be issued:
 - (a) ALTA 2006 Standard Owner's Policy
Proposed Insured: **Sunset Lofts, LLC, an Arizona limited liability company**
Proposed Policy Amount: \$1,650,000.00
 - (b) ALTA 2006 Extended Loan Policy
Proposed Insured: **City of Sedona, an Arizona municipal corporation**
Proposed Policy Amount: \$4,200,000.00
 - (c) None
Proposed Insured:
Proposed Policy Amount: \$0.00
3. The estate or interest in the Land described or referred to in this Commitment is
A FEE
4. The Title is, at the Commitment Date, vested in:
Michael J. Stevenson and Kathleen M. Stevenson, husband and wife as community property with right of survivorship
5. The Land is described as follows:
See Exhibit A attached hereto and made a part hereof.

By:

Authorized Countersignature

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| | |
|---|--|
|  First American Title™ | ALTA Commitment for Title Insurance |
| | ISSUED BY First American Title Insurance Company |
| Exhibit A | |

The Land referred to herein below is situated in the County of Yavapai, State of Arizona, and is described as follows:

The Southwest quarter of the Southwest quarter of the Southwest quarter of the Southwest quarter of Section 12, Township 17 North, Range 5 East of the Gila and Salt River Base and Meridian, Yavapai County, Arizona;

EXCEPTING therefrom any portion lying within Sunset Drive as set forth on map recorded in Book 12 of Maps, Page 34; and

EXCEPTING all uranium, thorium or any other materials which is or may be determined to be peculiarly essential to the production of fissionable materials whether or not of commercial value, as reserved in Patent from United States of America.

APN: 408-26-030C

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First American Title™

ALTA Commitment for Title Insurance

ISSUED BY

First American Title Insurance Company

Schedule BI & BII

Commitment No.: 06194018-128-CM

SCHEDULE B, PART I

Requirements

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.
2. Pay the agreed amount for the estate or interest to be insured.
3. Pay the premiums, fees, and charges for the Policy to the Company.
4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.

[ASSESSORS MAP](#)

TAX NOTE:

| | |
|-------------|-------------|
| Year | 2020 |
| Parcel No. | 408-26-030C |
| Total Tax | \$12,001.76 |
| First Half | PAID |
| Second Half | PAID |

[TAX SHEET](#)

5. Furnish proof that any outstanding municipal and/or county tax assessments which are due have been paid current.
6. INTENTIONALLY OMITTED.
7. PROPER showing that all regular and special assessments levied by the district named below, now due and payable, are paid in full.

Sedona Sanitary/Sewer District

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First American Title Insurance Company

Schedule BI & BII (Cont.)

Commitment No.: 06194018-128-CM

8. SUBMIT fully executed copy of the Operating Agreement (and all amendments) of the limited liability company named below for examination. The right is reserved to make additional requirements upon said examination.

Sunset Lofts, LLC, an Arizona limited liability company

9. RECORD Release and Reconveyance of Deed of Trust:

| | |
|--------------|---|
| Amount | \$1,100,000.00 |
| Dated | August 25, 2020 |
| Recorded | August 31, 2020 |
| Document No. | 2020-0050555 |
| Trustor | Michael J. Stevenson and Kathleen M. Stevenson, husband and wife as community property with right of survivorship |
| Trustee | Pioneer Title Agency, Inc., an Arizona corporation |
| Beneficiary | James W. McInnis and Kristine L. McInnis, as Trustees of the McInnis Family Trust, dated April 03, 2013 |

10. RECORD Deed from Michael J. Stevenson and Kathleen M. Stevenson, husband and wife to Sunset Lofts, LLC, an Arizona limited liability company

NOTE: ARS 11:1133 may require the completion and filing of an Affidavit of Value.

11. FURNISH the Company with Owner's Affidavit executed by Michael J. Stevenson and Kathleen M. Stevenson.
12. INTENTIONALLY OMITTED.
13. INTENTIONALLY OMITTED.
14. RECORD Deed of Trust to be insured.

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| Schedule BI & BII (Cont.) | |

Commitment No.: 06194018-128-CM


NOTE: The last conveyance affecting said land is as follows:

Warranty Deed recorded August 31, 2020 in Document No. [2020-0050554](#); Grantor: James W. McInnis and Kristine L. McInnis, as Trustees of the McInnis Family Trust, dated April 03, 2013; Grantee: Michael J. Stevenson and Kathleen M. Stevenson, husband and wife as community property with right of survivorship.

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| | ISSUED BY First American Title Insurance Company |
| Schedule BI & BII (Cont.) | |

Commitment No.: 06194018-128-CM

SCHEDULE B, PART II

Exceptions

THIS COMMITMENT DOES NOT REPUBLISH ANY COVENANT, CONDITION, RESTRICTION, OR LIMITATION CONTAINED IN ANY DOCUMENT REFERRED TO IN THIS COMMITMENT TO THE EXTENT THAT THE SPECIFIC COVENANT, CONDITION, RESTRICTION, OR LIMITATION VIOLATES STATE OR FEDERAL LAW BASED ON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, GENDER IDENTITY, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN.

The Policy will not insure against loss or damage resulting from the terms and provisions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of the Company:

- I. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I—Requirements are met.
- A. a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
- B. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession thereof.
- C. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
- D. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the Public Records.
- E. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
- F. Any lien or right to a lien for services, labor or material not shown by the Public Records.

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| Schedule BI & BII (Cont.) | |

Commitment No.: 06194018-128-CM

1. TAXES AND ASSESSMENTS collectible by the County Treasurer, a lien not yet due and payable for the following year:
2021
2. LIABILITIES AND OBLIGATIONS imposed upon said land by reason of its inclusion within the following named District:
Sedona Sanitary/Sewer District
3. The right of entry to prospect for, mine and remove the minerals excepted from the description of said Land in Schedule A.
4. EASEMENT and rights incident thereto, as set forth in instrument:
Recorded in Document No. [Book 1138 of Official Records, Page 326](#)
Purpose [Drainage Way](#)
Thereafter, Affidavit of Scriveners Error recorded in [Book 3147 of Official Records, Page 351](#).
5. AGREEMENT, according to the terms and conditions, contained therein:
Entitled [Reciprocal Easement Agreement](#)
Recorded [September 20, 1996](#)
Document No. [Book 3281 of Official Records, Page 940](#)
6. AGREEMENT, according to the terms and conditions, contained therein:
Entitled [Joint Ownership Agreement](#)
Recorded [April 21, 2005](#)
Document No. [Book 4255 of Official Records, Page 355](#)
7. MATTERS SHOWN ON SURVEY recorded in Document No. [2020-0064231](#) of Official Records.
8. Reservations or exceptions in Patents or in Acts authorizing the issuance thereof.

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ALTA Commitment for Title Insurance

ISSUED BY

First American Title Insurance Company

Schedule BI & BII (Cont.)

Commitment No.: 06194018-128-CM

9. WATER RIGHTS, claims or title to water, and agreements, covenants, conditions or rights incident thereto, whether or not shown by the public records.
This exception is not limited by reason of the disclosure of any matter relating to Water Rights as may be set forth elsewhere in Schedule B.
10. RIGHTS OF PARTIES in possession.
NOTE: This exception will be amended or deleted upon the submission of the corresponding documents required in Schedule B, Part I.
11. INTENTIONALLY OMITTED.
12. INTENTIONALLY OMITTED.
13. SUCH RIGHTS as mechanics and materialmen lien claimants may have by reason of work being in progress or recently completed at the date hereof.

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Privacy Notice

Effective: October 1, 2019

Notice Last Updated: January 1, 2021

This Privacy Notice describes how First American Financial Corporation and its subsidiaries and affiliates (together referred to as “First American,” “we,” “us,” or “our”) collect, use, store, and share your information. This Privacy Notice applies to information we receive from you offline only, as well as from third parties, when you interact with us and/or use and access our services and products (“Products”). For more information about our privacy practices, including our online practices, please visit <https://www.firstam.com/privacy-policy/>. The practices described in this Privacy Notice are subject to applicable laws in the places in which we operate.

What Type Of Information Do We Collect About You? We collect a variety of categories of information about you. To learn more about the categories of information we collect, please visit <https://www.firstam.com/privacy-policy/>.

How Do We Collect Your Information? We collect your information: (1) directly from you; (2) automatically when you interact with us; and (3) from third parties, including business parties and affiliates.

How Do We Use Your Information? We may use your information in a variety of ways, including but not limited to providing the services you have requested, fulfilling your transactions, comply with relevant laws and our policies, and handling a claim. To learn more about how we may use your information, please visit <https://www.firstam.com/privacy-policy/>.

How Do We Share Your Information? We do not sell your information. We only share your information, including to subsidiaries, affiliates, and to unaffiliated third parties: (1) with your consent; (2) in a business transfer; (3) to service providers; and (4) for legal process and protection. To learn more about how we share your information, please visit <https://www.firstam.com/privacy-policy/>.

How Do We Store and Protect Your Information? The security of your information is important to us. That is why we take commercially reasonable steps to make sure your information is protected. We use our best efforts to maintain commercially reasonable technical, organizational, and physical safeguards, consistent with applicable law, to protect your information.

How Long Do We Keep Your Information? We keep your information for as long as necessary in accordance with the purpose for which it was collected, our business needs, and our legal and regulatory obligations.

Your Choices We provide you the ability to exercise certain controls and choices regarding our collection, use, storage, and sharing of your information. You can learn more about your choices by visiting <https://www.firstam.com/privacy-policy/>.

International Jurisdictions: Our Products are hosted and offered in the United States of America (US), and are subject to US federal, state, and local law. If you are accessing the Products from another country, please be advised that you may be transferring your information to us in the US, and you consent to that transfer and use of your information in accordance with this Privacy Notice. You also agree to abide by the applicable laws of applicable US federal, state, and local laws concerning your use of the Products, and your agreements with us.

We may change this Privacy Notice from time to time. Any and all changes to this Privacy Notice will be reflected on this page, and where appropriate provided in person or by another electronic method. **YOUR CONTINUED USE, ACCESS, OR INTERACTION WITH OUR PRODUCTS OR YOUR CONTINUED COMMUNICATIONS WITH US AFTER THIS NOTICE HAS BEEN PROVIDED TO YOU WILL REPRESENT THAT YOU HAVE READ AND UNDERSTOOD THIS PRIVACY NOTICE.**

Contact Us dataprivacy@firstam.com or toll free at 1-866-718-0097.

For California Residents

If you are a California resident, you may have certain rights under California law, including but not limited to the California Consumer Privacy Act of 2018 (“CCPA”). All phrases used in this section shall have the same meaning as those phrases are used under California law, including the CCPA.

Right to Know. You have a right to request that we disclose the following information to you: (1) the categories of **personal information** we have collected about or from you; (2) the categories of sources from which the personal information was collected; (3) the business or commercial purpose for such collection and/or disclosure; (4) the categories of third parties with whom we have shared your **personal information**; and (5) the specific pieces of your personal information we have collected. To submit a verified request for this information, go to our online privacy policy at www.firstam.com/privacy-policy to submit your request or call toll-free at 1-866-718-0097. You may also designate an authorized agent to submit a request on your behalf by going to our online privacy policy at www.firstam.com/privacy-policy to submit your request or by calling toll-free at 1-866-718-0097.

Right of Deletion. You also have a right to request that we delete the **personal information** we have collected from and about you. This right is subject to certain exceptions available under the CCPA and other applicable law. To submit a verified request for deletion, go to our online privacy policy at www.firstam.com/privacy-policy to submit your request or call toll-free at 1-866-718-0097. You may also designate an authorized agent to submit a request on your behalf by going to our online privacy policy at www.firstam.com/privacy-policy to submit your request or by calling toll-free at 1-866-718-0097.

Verification Process. For either a request to know or delete, we will verify your identity before responding to your request. To verify your identity, we will generally match the identifying information provided in your request with the information we have on file about you. Depending on the sensitivity of the information requested, we may also utilize more stringent verification methods to verify your identity, including but not limited to requesting additional information from you and/or requiring you to sign a declaration under penalty of perjury.

Notice of Sale. We do not sell California resident information nor have we sold California resident information in the past 12 months. We have no actual knowledge of selling the information of minors under the age of 16..

Right of Non-Discrimination. You have a right to exercise your rights under California law, including under the CCPA, without suffering discrimination. Accordingly, First American will not discriminate against you in any way if you choose to exercise your rights under the CCPA.

Notice of Collection. To learn more about the categories of **personal information** we have collected about California residents over the last 12 months, please see “What Information Do We Collect About You” in <https://www.firstam.com/privacy-policy>. To learn about the sources from which we have collected that information, the business and commercial purpose for its collection, and the categories of third parties with whom we have shared that information, please see “How Do We Collect Your Information”, “How Do We Use Your Information”, and “How Do We Share Your Information” in <https://www.firstam.com/privacy-policy>.

Notice of Sale. We have not sold the **personal information** of California residents in the past 12 months.

Notice of Disclosure. To learn more about the categories of **personal information** we may have disclosed about California residents in the past 12 months, please see “How Do We Use Your Information” and “How Do We Share Your Information” in <https://www.firstam.com/privacy-policy>.

NOTICE OF TITLE POLICY DISCOUNTS
Residential Resale and Refinance Transactions – Arizona

Escrow No.: **06194018**

Please note certain discounts sometimes apply to reduce title insurance premiums. You should review the possible discounts listed below and tell your escrow officer if you think any apply. For some of the discounts, you may be asked to provide additional information to allow us to verify that the discount is applicable. The discount will be subject to specific formulas filed by the Underwriter with the Arizona Department of Insurance and the location of the property.

SHORT/LONG TERM RESALE RATE:

There are certain discounts available if your purchase was within last 5 years and insured by us or another title company. The discount will vary depending on when you purchased your property and who insured it.

REFINANCE RATE:

There are certain discounts available if your current transaction is a refinance of a prior loan that was insured by us, or another title insurance company. This rate is subject to determination of loan balances in some instances, depending on the formula filed by the Underwriter being used to insure the current transaction.

Please acknowledge your understanding of the foregoing disclosure, even if no discount applies, by signing below.

Date: _____

Date: _____

Signature of Seller/Borrower

Signature of Seller/Borrower

Print Name

Print Name

AFFILIATED BUSINESS ARRANGEMENT DISCLOSURE

This is to give notice that Title Security Agency of Arizona (including Magnus Title Agency, a division thereof) ("Title Security") is an Arizona corporation which is affiliated with and has business relationships with Long Title Agency, LLC ("Long Title"), Catalina Title Agency, LLC ("Catalina Title"), Infinity Title Agency, LLC (Infinity Title/ITA), Millennium Title Agency, LLC (Millennium Title/MTA), Investors Title Agency, LLC (Investors Title), Professional Title Agency, LLC (Professional Title/PTA), Asset Title Agency, LLC (Asset Title) and CRE Title Agency, LLC (CRE Title) to provide title services. Title Security also has business relationships with First American Title Insurance Company, Old Republic National Title Insurance Company and Title Resources Guaranty Company, which underwrite the policies issued by Title Security. Because of these relationships, this referral may provide Title Security with a financial or other benefit.

You are not required to use Title Security, Long Title, Catalina Title, Infinity Title, Millennium Title, Investors Title, Professional Title, Asset Title, CRE Title, First American Title Insurance Company, Old Republic National Title Insurance Company or Title Resources Guaranty Company, as part of the real estate transaction for this subject property.

THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES.

The rates for escrow agencies that are also title insurers or title insurance agents are filed with the Arizona Department of Financial Institutions and the escrow agency may not deviate from those filed rates. Title insurance rates are filed with the Arizona Department of Insurance by each title insurer, and the rates are the same for all title insurance issuing agents for each particular insurer. The premium you are charged for your title insurance policy is based upon the purchase price for the property you are purchasing/selling. If you are refinancing, the premium you are charge for your title insurance policy is based upon the loan amount. You may request to review the title insurance rate card which establishes the premium amount from the escrow agent handling your transaction.

DISCLOSURE NOTICES

Good Funds Law

Arizona Revised Statutes Section 6-843 regulates the disbursement of escrow funds by an escrow agent. The law requires that funds be deposited in the escrow agent's escrow account and available for withdrawal prior to disbursement. Funds deposited with the Company by wire transfer may be disbursed upon receipt. Funds deposited with the Company in the form of cashier's checks, certified checks or teller's checks, or checks which are made by an affiliate of a state or federally regulated depository institution when the check is drawn on that institution, may be disbursed the same day as deposited. If funds are deposited with the Company by other methods, recording and/or disbursement may be delayed.

PURCHASER DWELLING ACTIONS NOTICE

Pursuant to Arizona Revised Statutes Section 12-1363.N, notice is hereby provided to the purchaser of a dwelling of the provisions of Arizona Revised Statutes Sections 12-1361, 1362 and 1363. These statutory sections set forth the requirements to be met by a purchaser prior to bringing an action against the seller of a dwelling arising out of or related to the design, construction, condition or sale of the dwelling. "Dwelling" means a single or multifamily unit designed for residential use and common areas and improvements owned or maintained by an association or its members. "Seller" means any person, firm, partnership, corporation, association or other organization engaged in the business of designing, constructing or selling dwellings. The complete statutory sections can be viewed on the Arizona State Legislature's web site: www.azleg.state.az.us/ars/ars.htm.

NOTICE:

Pursuant to Arizona Revised Statutes 11-480, effective January 1, 1991, the County Recorder may not accept documents for recording that do not comply with the following:

- a Print must be ten-point type (pica) or larger.
- b Margins of at least one-half inch along the left and right sides one-half inch across the bottom and at least two inches on top for recording and return address information.
- Each instrument shall be no larger than 8 ½ inches in width and 14 inches in length.



**NOTICE
OF
IMPORTANT CHANGE TO ARIZONA NOTARY LAWS**

If your client is a foreign citizen, you will want to be aware of this change.

Arizona law currently provides that "satisfactory evidence of identity" for purposes of a notary's acknowledging signatures or performing jurats includes a "current form of identification issued by a federal, state or tribal government..." (A.R.S. 41-311.11.) Effective August 25, 2004, however, this provision has been amended to provide that the current form of identification must be issued by "the United States government or a state or tribal government..." This change means that a current form of identification issued by a foreign government, such as a foreign driver's license, will NOT meet the statutory identification requirements.

To avoid delays in closing transactions involving foreign citizens who may not have appropriate identification, you should determine as soon as possible what form(s) of identification your clients have. If they do not have appropriate identification, then you may wish to suggest, depending on their circumstances, that they apply for and obtain an appropriate form of U.S. or state identification.

PATSY C. MOY, County Clerk
By [Signature] Deputy

NONEXCLUSIVE DRAINAGE
EASEMENT
ARIZONA, 1978

THIS INDENTURE, made this 24th day of April, 1978 by and between Mr. James W. McNulta, 5656 Opportunity Dr., Toledo, OH 43612

hereinafter designated the Grantor and COUNTY OF YAVAPAI, a political subdivision of the State of Arizona, hereinafter designated as the Grantee.

RECITALS:

The Grantor requires a right-of-way over and perpetual easement to a parcel of land belong to the Grantee, upon which the Grantee may construct and maintain hereafter a drainage way, as well as all incidents thereto, together with the right to authorize, permit and license the use thereof for drainage way lines or other public purposes not inconsistent with its primary use as a drainage way.

The Grantor does hereby grant to the Grantee a perpetual easement for such purposes, subject however, to the reservations, provisions and conditions hereinafter contained, and said Grantor does hereby approve the location of said drainage way and consents to the establishment thereof over said land; and does hereby release the said County of Yavapai from, and waives all claims for damage or compensation for and on account of the establishment and construction of said drainage way other than set forth herein.

CONSIDERATION:

In consideration of the premises, covenants, and conditions to be kept and performed by the Grantee and the further consideration of the sum of One (\$1.00) Dollar, and other good and valuable consideration, receipt whereof is hereby acknowledged, the Grantor does hereby grant a perpetual easement and does by these presents convey to the use of the Grantee forever, that certain strip, tract, or parcel of land and real estate situated in Yavapai County, Arizona, and more particularly described as follows:

A public underground drainage easement over the North 5 feet of the West 325.00 feet of the Southwest quarter of the Southwest quarter of the Southeast quarter of Section 12, T17N, R5E of the GERRIN, Yavapai County, Arizona.

Excepting therefore any portion lying within Sunset Drive as set forth on plat recorded in Book 12 of Maps, Page 34, Yavapai County Records.

Gila and Salt River Base and Meridian, in Yavapai County, Arizona, and said parcel of land being 5 feet wide, feet on the side of, and feet on the side of, parallel and adjacent to the center line of the above described parcel of land, north

County Highway as said line runs with all curves and angles on, over, through and across the land of the Grantor as shown on the map of said highway at record in the office of the County Recorder of said county, or attached hereto.

TO HAVE AND TO HOLD the same forever, together with any temporary rights of way over, upon and across lands of the Grantor that may be required for the purpose of, or in the course of construction and repair of said drainage way, provided that the Grantee complies with, keeps, and carries out the following stipulations and conditions which run with and are attached to all right and interest granted herein:

CONDITIONS:

1. That said parcel of land shall be used for no other purposes than those herein set forth.
2. That the Grantee shall and will repair any improvements belonging to the Grantor that may be damaged by the Grantee during the construction of said highway.
3. Yavapai County will be responsible for upkeep of said drainage, and in the event the county has to repair said drainage, the county must return the surface to whatever state existed before any repair.
4. There will be a culvert installed in this Drainage Easement and this will be covered.

THAT ALL GRANTS, COVENANTS AND PROVISIONS herein contained shall be binding on and inure to the benefit of the heirs, successors, and assigns of the parties hereto.

IN WITNESS WHEREOF, this instrument has been duly signed and executed by the Grantor the day and year first above written.

James W. McInnis

STATE OF ARIZONA
COUNTY OF YAVAPAI

} ss.

This instrument was duly acknowledged before me this 16 day of April
1978 by James W. McInnis

for the purpose and consideration therein mentioned.

HAROLD F. CHASE, Notary Public,
Notary Public, State of Colorado
My Commission Expires Section 147.03 C.R.S.
My Commission Expires

Harold F. Chase
Notary Public

BOOK 1138 PAGE 327

No. _____

EASEMENT

FROM _____

TO _____

COUNTY OF YAVAPAI

Date: _____, 19____

Filed and Recorded at Request of _____

COUNTY OF YAVAPAI

Present: Arizona

at _____ A. D. 19____

of _____ M.

Book _____


Page _____

County Recorder _____

Deputy Recorder _____

When Recorded, Return to:

Mr. Gregg Alpert
c/o Evergreen Devco, Inc.
1300 East Missouri Avenue
Suite A-200
Phoenix, Arizona 85014

| | |
|--|--|
|  | INSTRUMENT # 9654159 |
| | OFFICIAL RECORDS OF YAVAPAI COUNTY MARGO W. CARSON |
| | REQUEST OF: TRANSACTION TITLE INS CO |
| | DATE: 09/20/96 TIME: 16:10 |
| | FEE: 15.00 SC: 4.00 PT: 1.00 |
| | BOOK 3281 PAGE 940 PAGES: 015 |

| | |
|-----|-----|
| BR | FEE |
| | 15 |
| MAP | |
| PCL | |

RECIPROCAL EASEMENT AGREEMENT

THIS RECIPROCAL EASEMENT AGREEMENT is made and entered into this 20 day of Sept, 1996, by and between EVERGREEN-SEDONA, LIMITED PARTNERSHIP, an Arizona limited partnership ("Evergreen"), and JAMES W. McINNIS and KRISTINE L. McINNIS, Trustees of the McINNIS FAMILY TRUST ("McInnis").

RECITALS

A. Evergreen is the owner of that certain real property located in Yavapai County, Arizona, more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference (the "Evergreen Parcel");

B. McInnis is the owner of that certain real property located in Yavapai County, Arizona, more particularly described on Exhibit "B" attached hereto and incorporated herein by this reference (the "McInnis Parcel");

C. The Evergreen Parcel and the McInnis Parcel (sometimes referred to herein individually as a "Parcel" and collectively as the "Parcels") are contiguous to one another, and collectively situated in the vicinity of the southeast corner of Highway 89-A and Sunset Drive, Sedona, Arizona, as shown on the site plan attached hereto as Exhibit "C" and incorporated herein by this reference (the "Site Plan"); and

D. Evergreen and McInnis (sometimes referred to herein individually as an "Owner" and collectively as the "Owners") acknowledge that it is in the mutual best interests of the Owners and the Parcels to provide for a common plan of vehicular access, ingress and egress between the Parcels and to and from Highway 89-A and Sunset Drive;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, in order to impose certain reciprocal easements upon the Parcels, and to establish certain covenants, conditions and restrictions, for the mutual and reciprocal benefit and complement of the Parcels and the present and future Owners thereof, the parties hereto declare, covenant and agree as follows:

1. Easements.

1.1 Access Easement.

Each Owner of a Parcel grants to the other Owner, its successors and assigns, for the use and benefit of such other Owner, its tenants and occupants, and their respective employees, agents, contractors, customers, invitees, and licensees (collectively, "Permittees"), as an appurtenance to the Parcel of such other Owner, a nonexclusive, perpetual and reciprocal easement in, upon, over, above, under and across those portions of the Parcel crosshatched on the Site Plan (the "Common Driveways") for purposes of reasonable pedestrian and vehicular access, ingress and egress between the Parcels and to and from Highway 89-A and Sunset Drive, together with reasonable rights to construct, install, use, operate, maintain, repair, and replace driveway entrances, paving, sidewalks, curbs, and gutters on and in the Common Driveways (collectively, "Driveway Improvements"). The Owners acknowledge and agree that Evergreen has granted to the owner of the Church Parcel more particularly described on Exhibit D attached hereto and incorporated herein by this reference and to such owner's Permittees, the non-exclusive right to use the portion of the Driveway Improvements providing access to and from the Church Parcel to Sunset Drive, subject to and in accordance with the provisions of that certain Easement Agreement dated _____, 1996 and recorded _____, 1996 in the official records of Yavapai County, Arizona as Instrument No. Bk 3281 pg 925.

1.2 Lighting Easement.

McInnis grants to Evergreen, its successors and assigns, for the use and benefit of Evergreen and its Permittees, as an appurtenance to the Evergreen Parcel, a nonexclusive, perpetual easement in, upon, over, above, under and across a portion of the McInnis Parcel being four (4) feet in width and immediately south of the Common Driveways located on or adjacent to the McInnis Parcel in the location shown on the Site Plan, for purposes of the construction, installation, use, operation, maintenance, repair, relocation and replacement of lighting (including light poles and standards and necessary utilities) for illumination of portions of the Common Driveways, together with such landscaping, if any, within said easement as may be required by the City of Sedona (collectively, the "Lighting Improvements").

1.3 Drainage Easement.

McInnis grants to Evergreen, its successors and assigns, for the use and benefit of Evergreen and its Permittees, as an appurtenance to the Evergreen Parcel, a nonexclusive, perpetual easement in, upon, over, above, under and across a portion of the McInnis Parcel located at the northeast corner thereof as shown on the Site Plan, for purposes of the reasonable diversion and drainage of storm water runoff arising on the Evergreen Parcel into the wash running along the eastern boundary of the Parcel, by means of a graded drainage channel or pipe, at Evergreen's election (collectively, the "Drainage Improvements").

1.4 Slope Easement. McInnis grants to Evergreen, its successors and assigns, for the use and benefit of Evergreen and its Permittees, as an appurtenance to the Evergreen Parcel, a nonexclusive, temporary easement in, upon, over, above, under and across a portion of the McInnis Parcel being approximately twenty (20) feet in width and immediately south of the Common Driveways and Lighting Improvements in the location shown on the Site Plan, for the construction, use, maintenance, removal and replacement of a graded fill slope and related improvements (the "Slope Improvements") until the adjoining portions of the McInnis Parcel are improved as necessary to provide lateral support for the improvements located on the Evergreen Parcel. Prior to any removal by the Owner of the McInnis Parcel of the Slope Improvements, the Owner of the McInnis Parcel shall deliver to the Owner of the Evergreen Parcel reasonably satisfactory evidence that the improvements to be developed on the McInnis Parcel will provide the necessary lateral support for the improvements then located on the Evergreen Parcel.

1.5 Reasonable Use of Easements.

The easements granted herein shall be used and enjoyed by each Owner and its Permittees in such a manner as not to unreasonably interfere with, obstruct or delay the conduct and operations of the business of any other Owner or its Permittees at any time conducted on the Parcels or any portion thereof, including, without limitation, public access to and from said business, and the receipt or delivery of merchandise in connection therewith.

1.6 Construction, Maintenance and Modifications.

(a) The Driveway Improvements, the Lighting Improvements, the Drainage Improvements and the Slope Improvements (collectively, the "Improvements") shall be initially constructed in a good and workmanlike manner, free and clear of liens and encumbrances for labor or materials, by the Owner of the Evergreen Parcel, at its expense and McInnis grants to Evergreen an easement over the McInnis Parcel so as to permit the construction of the Improvements.

(b) The Improvements shall be initially maintained and repaired by the Owner of the Evergreen Parcel, at its expense. However, from and after the issuance of a building permit for the construction of a building on all or any portion of the McInnis Parcel, the Owner of the McInnis Parcel covenants to reimburse the Owner of the Evergreen Parcel from time to time for one-half (1/2) of the reasonable costs and expenses incurred by the Owner of the Evergreen Parcel in connection with the repair, maintenance, resealing, resurfacing and/or replacement of the Driveway Improvements. Such reimbursement shall be due within thirty (30) days following submission by the Owner of the Evergreen Parcel to the Owner of the McInnis Parcel of a written statement, showing in reasonable detail the nature and extent of such costs and expenses.

(c) Vehicular access between the Common Driveways and the McInnis Parcel shall be limited to those two (2) locations for driveway connections shown on the Site

Plan (the "Driveway Openings"). At such time as the development of the McInnis Parcel is commenced, the Owner of the McInnis Parcel shall have the right, at its expense, to reasonably modify the Driveway Improvements and the Lighting Improvements located in the Driveway Openings, in order to provide such vehicular access, in conformance with plans and specifications approved in advance by the Owner of the Evergreen Parcel. It is acknowledged that such modifications are anticipated to consist primarily of the removal of curbing and landscaping and the replacement thereof with paved surfaces of a quality and character comparable to the Driveway Improvements as originally installed. Once commenced by the Owner of the McInnis Parcel, such construction shall be completed with due diligence, free and clear of liens and encumbrances for labor or materials.

(d) The Owner of the Evergreen Parcel reserves the right to reasonably relocate the Common Driveways located on the Evergreen Parcel or modify the Driveway Improvements contained therein so long as vehicular access comparable to that originally contemplated under this Agreement remains available between the McInnis Parcel, Highway 89-A and Sunset Drive. Any other modification or relocation of the Common Driveways or the Driveway Improvements shall require the prior written consent of all Owners. Upon completion of any such permitted relocation or modification, the Owners agree to execute, acknowledge and record an appropriate amendment to this Agreement modifying the Site Plan attached hereto.

1.7 No Implied Easements.

Nothing contained in this Agreement shall be deemed to create any implied easements not otherwise expressly provided for herein. Without limiting the generality of the foregoing, no easement for cross parking is hereby granted.

2. Restrictive Covenants.

2.1 General.

Each Parcel shall be used for lawful purposes in conformance with all restrictions imposed by all applicable governmental laws, ordinances, codes, and regulations, and no use or operation shall be made, conducted or permitted on or with respect to all or any portion of a Parcel which is illegal. In addition to the foregoing, no Owner shall use or permit all or any portion of its Parcel to be used as a discotheque or dance hall, amusement arcade, adult book store, adult theatre, adult amusement facility or similar shop selling or displaying sexually explicit or pornographic materials, pawn shop, flea market, second hand store, massage parlor, junk yard, mortuary or funeral parlor. No Parcel shall be used in any manner so as to create or constitute a nuisance, and no Owner shall permit the accumulation on its Parcel of unsightly trash or debris.

2.2 Additional McInnis Parcel Restrictions.

Neither all nor any portion of the McInnis Parcel shall be used, directly or indirectly, for purposes of (i) a drug store or a so-called prescription pharmacy or any other purpose requiring a qualified pharmacist or other person authorized by law to dispense medicinal drugs, directly or indirectly, for a fee or remuneration of any kind; (ii) the sale of so-called health and/or beauty aids and/or drug sundries, except as may be incidental to the operation of a beauty salon; (iii) the operation of a business in which alcoholic beverages shall be sold for consumption off the premises; (iv) the operation of a business in which photo-finishing services and/or photographic film are offered for sale; and/or (v) the sale of greeting cards or gift wrap.

3. Public Utility Easements.

Each Owner agrees to cooperate with the other in responding to proposals or proceedings for the granting of appropriate and proper utility easements to any governmental entity or utility company for underground utilities to serve the Parcel of the other Owner. The location(s) of any such easements shall be subject to the approval of the cooperating Owner. In the use of any such utility easement, the grantee shall exercise reasonable care to avoid damage to the easement premises and any and all improvements that may at any time be thereon or therein, and shall be obligated to repair and restore the easement premises to the same or better condition as existed immediately prior to the grantee's activities on the easement premises promptly upon completion thereof, at the grantee's expense.

4. Remedies.

4.1 All Available Remedies.

In the event of a breach by any Owner or its Permittees of any of the terms or provisions hereof, the nondefaulting Owner shall be entitled forthwith to full and adequate relief by injunction and/or all such other available legal and equitable remedies (which shall be cumulative with any rights or remedies specified herein) from the consequences of such breach, including payment of any amounts due and/or specific performance.

4.2 Self-Help.

In addition to all other remedies available at law or in equity, upon the failure of a defaulting Owner to cure a breach of this Agreement by such Owner or its Permittees within thirty (30) days following written notice thereof by another Owner, the nondefaulting Owner shall have the right to perform such obligation on behalf of such defaulting Owner and be reimbursed by such defaulting Owner upon demand for the reasonable costs thereof together with interest at the prime rate of Bank of America plus two (2) percentage points (not to exceed the maximum rate of interest allowed by law). If such sum is not paid upon

demand, the party performing such defaulted obligation may claim a lien therefor, which may be foreclosed against the Parcel of the defaulting Owner in the manner prescribed by law.

4.3 No Termination for Breach.

Notwithstanding anything to the contrary contained in this Agreement, in no event shall any default or breach under this Agreement entitle any party to seek or to enforce the cancellation, rescission or termination in whole or in part of this Agreement or of any of the easements herein granted. No breach hereunder shall defeat or render invalid the lien of any mortgage or deed of trust upon any Parcel made in good faith for value, but the easements, rights and obligations contained herein shall be binding upon and effective against any Owner of such Parcel whose title thereto is acquired by foreclosure, trustee's sale or otherwise.

5. Term.

The covenants, conditions and restrictions contained in this Declaration shall be effective commencing on the date of recordation of this Agreement in the office of the Yavapai County Recorder and shall remain in full force and effect for a period of sixty-five (65) years from and after said date of recordation, and the easements granted herein shall continue in perpetuity, unless this Agreement is modified, amended, or terminated in accordance with paragraph 6.1 hereof.

6. Miscellaneous.

6.1 Amendment.

This Agreement may be modified, amended or terminated at any time only by the written consent of all then record Owners of the Parcels, evidenced by a document that has been fully executed, acknowledged and recorded in the official records of the County Recorder of Yavapai County, Arizona.

6.2 Notices.

Notices and other communications under this Agreement shall be in writing and shall be given by a reputable nationwide overnight courier (e.g., Federal Express), personal delivery or by deposit in the United States mail, certified mail, return receipt requested, postage prepaid, addressed to each Owner at the addresses set forth below, or to such other address as an Owner may designate in writing:

Evergreen: c/o Evergreen Devco, Inc.
2505 Cañada Boulevard, Suite 1A
Glendale, California 91028

With Copy to: Evergreen Devco Inc.
1300 East Missouri Avenue
Suite A-200
Phoenix, Arizona 85014
Attention: Mr. Gregg Alpert

McInnis: 105 El Camino Tesoros
Sedona, Arizona 86336

Any such notice shall be deemed effective on the date on which such notice is delivered, if notice is given by personal delivery, on the next succeeding business day after deposit with an overnight courier for next day delivery, or if notice is sent through the United States mail, on the date of actual delivery as shown by the addressee's receipt or upon the expiration of three (3) days following the date of mailing, whichever first occurs.

6.3 Covenants to Run with Land.

It is intended that the easements, covenants, conditions, restrictions, rights and obligations set forth herein shall run with the land and create equitable servitudes in favor of the Parcels and all portions thereof, shall bind every person having any fee, leasehold or other interest therein and shall inure to the benefit of the Owners, and their respective successors, assigns, heirs, and personal representatives.

6.4 Grantee's Acceptance.

The grantee of any Parcel, by acceptance of a deed conveying title thereto, shall accept such deed upon and subject to each and all of the easements, covenants, conditions, restrictions, rights and obligations contained herein. By such acceptance, any such grantee shall for himself and his successors, assigns, heirs, and personal representatives, covenant, consent, and agree to and with all other Owners, to keep, observe, comply with, and perform the obligations and agreements set forth herein with respect to the property so acquired by such grantee, whereupon the grantor of such property shall be released from such obligations and agreements thereafter arising in respect of such property.

6.5 Indemnification/Insurance.

(a) Each Owner agrees to indemnify, defend and hold the other Owners harmless for, from and against all claims, liabilities, and expenses (including reasonable attorneys' fees) relating to accidents, injuries, death, loss, or damage of or to any person or property arising from or in any manner relating to the use by the indemnifying Owner or its Permittees of the easements granted herein except as may result from the gross negligence or intentional misconduct of the Owner whose Parcel is subject to the easement or its Permittees.

(b) Each Owner agrees to carry or cause its Permittees to carry commercial general liability insurance for the Common Driveways located on such Owner's Parcel, with combined single limit coverage of not less One Million Dollars (\$1,000,000.00) or such greater amount as may from time to time be reasonable and prudent under the circumstances. Notwithstanding the foregoing, for the period commencing with the start of construction of Common Driveways by Evergreen, and continuing until the earlier to occur of the sale of all or any portion of the McInnis Parcel or the issuance of a building permit for the construction of improvements thereon, Evergreen shall maintain or cause to be maintained the insurance required hereunder on those portions of the Common Driveways located on the McInnis Parcel, which insurance shall identify McInnis as an additional insured. Any Owner (or Permittee of such Owner responsible for carrying insurance hereunder) having a net worth in excess of \$40,000,000 may self insure.

(c) Upon reasonable request, an Owner shall furnish to the requesting Owner certificates of insurance or other reasonable evidence indicating that insurance meeting the requirements hereof has been obtained and is in full force and effect.

6.6 No Rights in Public.

Nothing contained herein shall be construed as creating any rights in the general public or as dedicating for public use the Common Driveways.

6.7 Separability.

Each provision of this Agreement and the application thereof to the Parcels are hereby declared to be independent of and severable from the remainder of this Agreement. In the event the validity or enforceability of any provision of this Agreement is held to be dependent upon the existence of a specific legal description for any easement granted herein, the parties agree to promptly cause such legal description to be prepared.

6.8 Time of Essence.

Time is of the essence of this Agreement.

6.9 Attorneys' Fees.

In the event of any legal or equitable proceedings pertaining to this Agreement, the prevailing party therein shall be entitled to reasonable attorneys' fees and costs of suit.

6.10 Counterparts.

This Agreement may be executed in one or more counterparts, each of which may be executed by one or more of the parties hereto, with the same force and effect as though all the parties executing such counterparts had executed but one instrument.

Signature and/or acknowledgment pages may be detached from such counterparts and attached to this Agreement to physically form one legally effective document for recording purposes.

6.11 Governing Law.

This Agreement shall be governed by Arizona law.

6.12 Trust Disclosure.

In accordance with the provisions of A.R.S. §33-840, the names and addresses of the beneficiaries of the McInnis Family Trust are as follows:

BK 3281
Pg 940

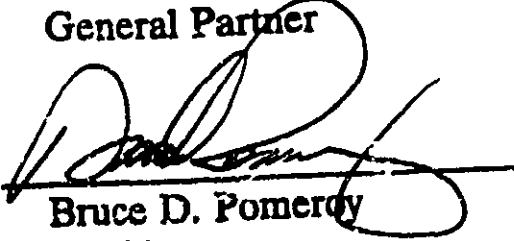
IN WITNESS WHEREOF, this Agreement has been executed by the parties
as of the date first written above.

EVERGREEN:

EVERGREEN-SEDONA, LIMITED
PARTNERSHIP, an Arizona limited
partnership

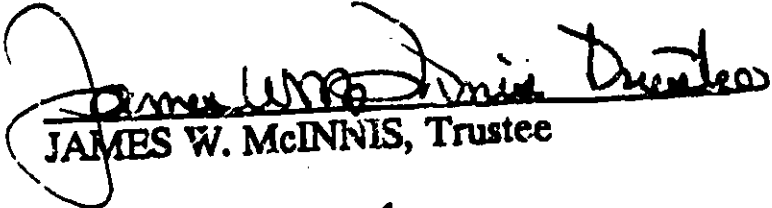
By: Evergreen Development Company-
1996, Limited Partnership, an
Arizona limited partnership
Its: General Partner

By: Evergreen Devco, Inc., a
California corporation
Its: General Partner

By: 
Bruce D. Pomeroy
Its: President

McINNIS:

McINNIS FAMILY TRUST


JAMES W. McINNIS, Trustee


KRISTINE L. McINNIS, Trustee

STATE OF ARIZONA

County of Maricopa

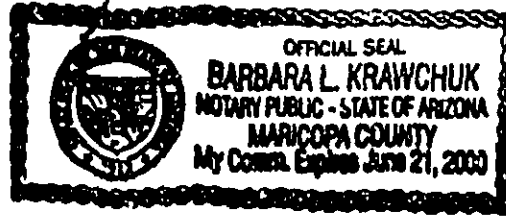
)
) ss
)

The foregoing instrument was acknowledged before me this 10th day of September, 1996, by Bruce D. Pomeroy, the President of Evergreen Devco, Inc., a California corporation, the general partner of Evergreen Development Company-1904, Limited Partnership, an Arizona limited partnership, the general partner of EVERGREEN-SEDONA, LIMITED PARTNERSHIP, an Arizona limited partnership, on behalf of the partnership.

Barbara L. Krawchuk
Notary Public

My Commission Expires:

June 21, 2000



STATE OF ARIZONA

County of Yavapai

)
) ss
)

The foregoing instrument was acknowledged before me this 17 day of Sept, 1996, by James W. McInnis and Kristine L. McInnis, Trustees of the McINNIS FAMILY TRUST, on behalf of the Trust.

Leah Morgan
Notary Public

My Commission Expires:

12-3-96

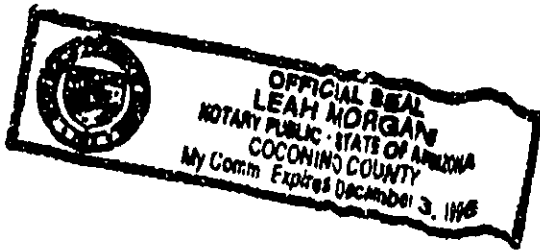


EXHIBIT "A"

BEGINNING FOR REFERENCE AT THE S.W. CORNER OF SECTION 12,
TOWNSHIP 17 N., RANGE 5 E., G&SRB&M, SEDONA, YAVAPAI COUNTY,
ARIZONA.

THENCE N. 0° 00' 19" W., ALONG THE WEST LINE OF SAID SECTION
12, BEING ALSO THE CENTER LINE OF SUNSET DRIVE, A DISTANCE OF
325.59 FEET, TO THE N.W. CORNER OF THE S.W. 1/4 S.W. 1/4
S.W. 1/4 S.W. 1/4 OF SAID SECTION 12.

THENCE S. 89° 25' 34" E., A DISTANCE OF 25.00 FEET TO THE
EAST R/W OF SUNSET DRIVE, BOOK 12 OF MAPS PAGE 34 YAVAPAI
COUNTY RECORDER.

THENCE N. 0° 00' 19" W., A DISTANCE OF 126.08 FEET ALONG THE
EAST R/W OF SUNSET DRIVE, BOOK 12 OF MAPS PAGE 34 YAVAPAI
COUNTY RECORDER TO THE TRUE POINT OF BEGINNING.

THENCE S. 89° 53' 24" E., A DISTANCE OF 296.92 FEET TO A
POINT ON THE EAST LINE OF THE W.1/2 W.1/2 W.1/2 W.1/2 OF SAID
SECTION 12.

THENCE N. 0° 06' 36" E. ALONG THE EAST LINE OF THE WEST 1/2
W.1/2 W.1/2 W.1/2 OF SAID SECTION 12, A DISTANCE OF 315.17
FEET TO A POINT ON THE SOUTH R/W OF U.S. HWY 89-A.

THENCE ALONG A NON TANGENT CURVE TO THE LEFT, ALONG THE
SOUTH R/W OF SAID HIGHWAY 89-A HAVING A CENTRAL ANGLE OF
5° 20' 01", A RADIUS OF 2798.70 FEET, A CHORD BEARING OF
S. 86° 19' 53" W., A CHORD DISTANCE OF 260.44 FEET, A CURVE
LENGTH OF 260.53 FEET, TO THE INTERSECTION WITH THE EAST R/W
LINE OF SUNSET DRIVE, BOOK 1210 PAGE 776.

THENCE ALONG SAID EAST R/W, ALONG A NON TANGENT CURVE TO THE
RIGHT, HAVING A CENTRAL ANGLE OF 9° 50' 04", A RADIUS OF
505.00 FEET, A CHORD BEARING OF S. 7° 04' 39" W., A CHORD
DISTANCE OF 86.58 FEET, A CURVE LENGTH OF 86.69 FEET.

THENCE S. 11° 59' 41" W., CONTINUING ALONG SAID EAST. R/W
LINE A DISTANCE OF 58.89 FEET.

THENCE CONTINUING ALONG SAID EAST R/W ALONG A CURVE TO THE
LEFT HAVING A CENTRAL ANGLE OF 12° 00' 00" RADIUS OF
445.00 FEET, A CURVE LENGTH OF 93.20 FEET.

THENCE CONTINUING ALONG SAID EAST R/W S. 11° 59' 41" W., A
DISTANCE OF 5.00 FEET.

THENCE S. 0° 00' 00" W. ALONG THE EAST R/W OF SUNSET DRIVE
DRIVE BOOK 12 OF MAPS PAGE 34 YAVAPAI COUNTY RECORDER
DISTANCE OF 61.89 FEET TO THE TRUE POINT OF BEGINNING.

A PARCEL CONTAINING 1.985 ACRES MORE
HEREON.

EXHIBIT "B"

BEGINNING FOR REFERENCE AT THE S.W. CORNER OF SECTION 12,
TOWNSHIP 17 N., RANGE 5 E., G&SRB&M, SEDONA, YAVAPAI COUNTY,
ARIZONA.

THENCE N. 00° 00' 19" W., ALONG THE WEST LINE OF SAID SECTION
12, BEING ALSO THE CENTER LINE OF SUNSET DRIVE, A DISTANCE
OF 325.59 FEET, TO THE N.W. CORNER OF THE S.W. 1/4 S.W. 1/4
S.W. 1/4 S.W. 1/4 OF SAID SECTION 12.

THENCE S. 89° 25' 34" E., A DISTANCE OF 25.00 FEET TO THE
EAST R/W OF SUNSET DRIVE, BOOK 12 OF MAPS PAGE 34 YAVAPAI
COUNTY RECORDER, AND THE TRUE POINT OF BEGINNING.

THENCE CONTINUING S. 89° 25' 34" E., A DISTANCE OF 296.67
FEET TO THE N.E. CORNER OF THE SAID S.W. 1/4 S.W. 1/4
S.W. 1/4 S.W. 1/4.

THENCE N. 00° 06' 36" E. ALONG THE EAST LINE OF THE W. 1/2
W.1/2 W.1/2 W.1/2 OF SAID SECTION 12, A DISTANCE OF
128.48 FEET TO A POINT ON THE SAID EAST LINE.

THENCE N. 89° 53' 24" W., A DISTANCE OF 296.92 FEET TO THE
EAST R/W OF SUNSET DRIVE, BOOK 12 OF MAPS PAGE 34, YAVAPAI
COUNTY RECORDER.

THENCE S. 00° 00' 19" E. ALONG THE EAST R/W LINE OF SUNSET
DRIVE BOOK 12 OF MAPS PAGE 34, YAVAPAI COUNTY RECORDER, A
DISTANCE OF 126.08 FEET TO THE TRUE POINT OF BEGINNING.

TOGETHER WITH THE FOLLOWING DESCRIBED PARCEL:

ALL THAT PORTION OF THE S.W. 1/4 OF THE S.W. 1/4 OF THE
S.W. 1/4 OF THE S.W. 1/4 OF SECTION 12, TOWNSHIP 17
N., RANGE 5 E. OF THE G&SRB&M, SEDONA, YAVAPAI COUNTY,
ARIZONA.

EXCEPTING THEREFROM ANY PORTION LYING WITHIN SUNSET
DRIVE AS SET FORTH ON PLAT RECORDED IN BOOK 12 OF MAPS,
PAGE 34, RECORDS OF YAVAPAI COUNTY, ARIZONA.

EXHIBIT "C"

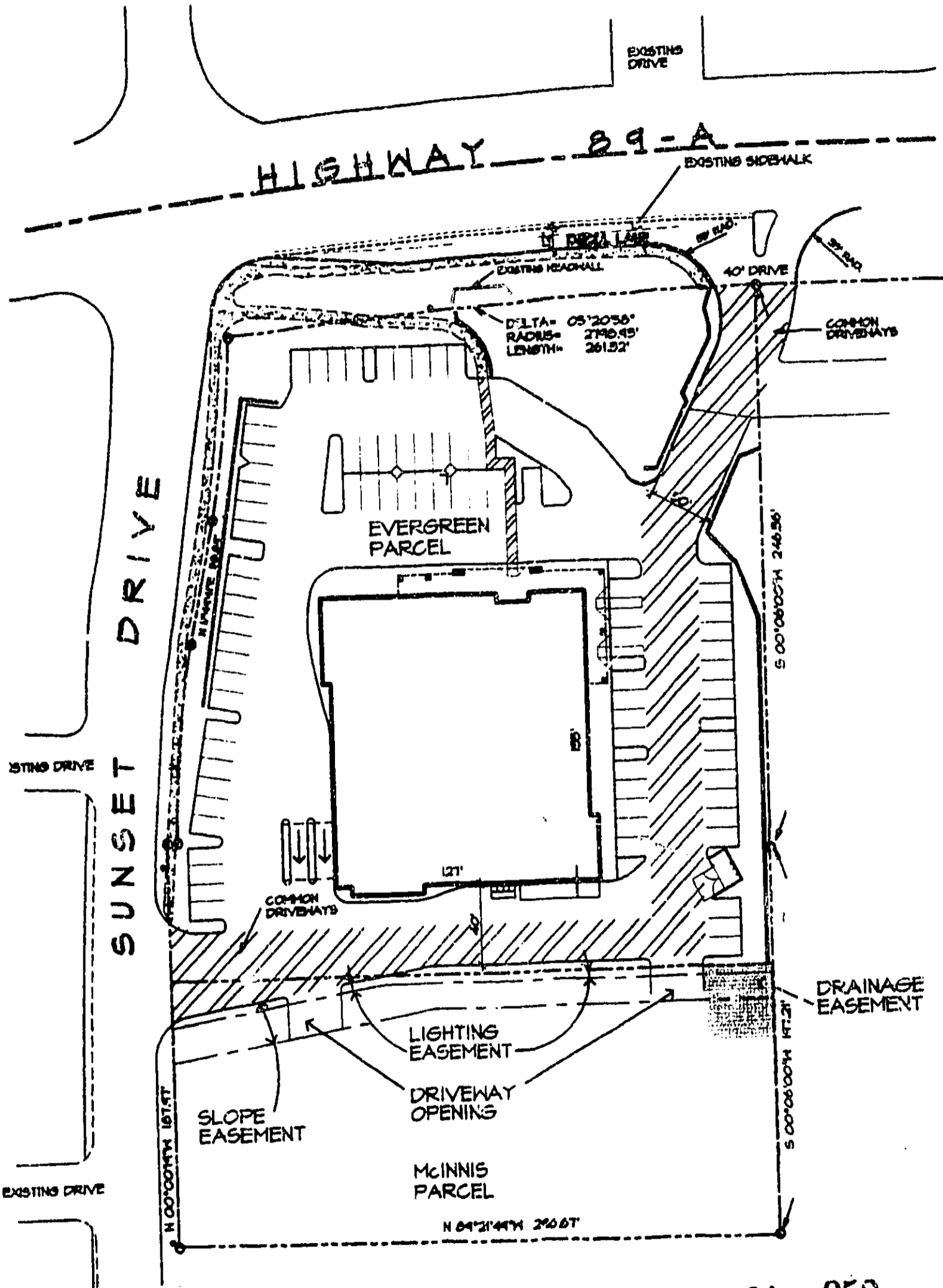


EXHIBIT "D"

A tract of land in the east half of the southwest quarter of the southwest quarter of the southwest quarter (E ½ SW ¼ SW ¼ SW ¼) of Section 12, T17N, R5E, G&SRB&M, Yavapai County, Arizona, described as follows:

Beginning at the southeast corner of said E ½ SW ¼ SW ¼ SW ¼ of Section 12; thence along the east line of said E ½ SW ¼ SW ¼ SW ¼, N. 0° 08' 50" E. 374.34 feet; thence N. 89° 39' 30" W. 322.96 feet to the west line of said E ½ SW ¼ SW ¼ SW ¼; thence along said west line S. 0° 02' W. 329.47 feet; thence S. 75° 44' 14" E. 186.09 feet to the south line of said Section 12; thence along said south line S 89° 37' E. 141.84 feet to the point of beginning.

Subject to and together with access and utility easements of record.



INSTRUMENT # 9604965
 OFFICIAL RECORDS OF
 YAVAPAI COUNTY
 MARGO W. CARSON
 REQUEST OF:

CITY OF SEDONA
 DATE: 01/29/96 TIME: 12 05
 FEE 5.00 SC. 4.00 PT: 1.00
 BOOK 3147 PAGE 351 PAGES: 002



WHEN RECORDED, PLEASE RETURN TO:
 MR. TOM PENDER, P.E.,
 CITY OF SEDONA,
 COMMUNITY DEVELOPMENT
 2940 SOUTHWEST DR.
 SEDONA, AZ 86336

AFFIDAVIT OF SCRIBERS ERROR

I, VANCE L. MCDONALD, FIRST BEING DULY SWORN, STATES THE FOLLOWING:

THAT CERTAIN DOCUMENT TITLED A "NON EXCLUSIVE DRAINAGE EASEMENT" DATED 26TH DAY OF APRIL 1978, AND WHICH WAS RECORDED IN BOOK 1138 PAGES 326-327, ON THE THIRD DAY OF MAY 1978 AT 10:45 A.M. GRANTOR, JAMES W. MCINNIS, GRANTEE, COUNTY OF YAVAPAI (BY VIRTUE OF INCORPORATION, THE CITY OF SEDONA), WHICH IS MADE A PART HEREOF BY THIS REFERENCE AS IF REPRODUCED HERE IN ITS ENTIRETY, CONTAINS AN ERROR IN THE LEGAL DESCRIPTION.

THE CORRECT LEGAL DESCRIPTION IS AS FOLLOWS:

A PUBLIC UNDERGROUND DRAINAGE EASEMENT OVER THE NORTH 5 FEET OF THE WEST 325.00 EAST OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 12, TOWNSHIP 1, N. RANGE 5 E., G&SRB&M, YAVAPAI COUNTY, ARIZONA.

EXCEPTING THEREFROM ANY PORTION LYING WITHIN SUNSET DRIVE AS SET FORTH ON PLAT RECORDED IN BOOK 12 OF MAPS, PAGE 34, YAVAPAI COUNTY RECORDS.

EXECUTED THIS 27 DAY OF JANUARY 1996

Vance L. McDonald
 VANCE L. MCDONALD, AFFIANT

BOOK 3147 PAGE 351

CERTIFICATION

I, VANCE L. MCDONALD, LICENSED LAND SURVEYOR, STATE OF ARIZONA, HAVE CONDUCTED A FIELD SURVEY WHICH INCLUDES THE LOCATION OF THE FACILITIES CONTAINED IN THE DRAINAGE EASEMENT NAMED HEREIN AND HAVE FOUND THAT THIS CORRECTED LEGAL DESCRIPTION CONTAINED HEREON IS THE ACTUAL LOCATION OF THE EASEMENT, AND HEREBY SUBMIT THIS CORRECTION TO THE PUBLIC RECORD, MERELY TO CORRECT THE LEGAL DESCRIPTION AND FOR NO OTHER PURPOSE OR EFFECT.

Vance L. McDonald
VANCE L. MCDONALD, L.S. 5357



STATE OF ARIZONA
COUNTY OF YAVAPAI
CAMP VERDE, AZ

ON THE 29 DAY OF January, 1996, PERSONALLY APPEARED VANCE L. MCDONALD, KNOWN TO ME TO BE THE INDIVIDUAL WHO EXECUTED THE FORGOING INSTRUMENT, AND ACKNOWLEDGED THE SAME TO BE HIS FREE ACT AND DEED BEFORE ME.



[Signature]
NOTARY PUBLIC