

THUNDER MOUNTAIN RANCH
ARCHITECTURAL REVIEW COMMITTEE
DEVELOPMENT GUIDELINES

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Thunder Mountain Ranch ARC Development Guidelines

FOREWORD:

Thunder Mountain Ranch is located in an environmentally sensitive area, requiring that homes be built in harmony with the terrain so as to ensure compatibility with this sensitive area. The Architectural Review Committee is very important, as it is the review and approval point for the design, construction or modification of custom home structures and landscaping.

These Development Guidelines ("Guidelines") have been developed to assist the Owner in planning and building a home in Thunder Mountain Ranch. The purpose of the review process is to ensure the use of the property for attractive residential purposes only; and, additionally, to ensure that each parcel owner has the full benefit and enjoyment of his or her parcel and residence while maintaining aesthetic harmony and the property value of each parcel.

The Owner is ultimately responsible for the performance of the building contractor and sub-contractors and their adherence to these Guidelines. The Guidelines are to be used as a supplement to the Thunder Mountain Ranch Amended and Restated All Inclusive Declaration of Covenants, Conditions and Restrictions, as amended (CC&R's) and are subject to changes.

Compliance with the CC&R's and Guidelines of Thunder Mountain Ranch, and any approvals by the Architectural Review Committee, does not relieve the Owner, architect and builder from complying with the Building Code of the City of Sedona, nor does the approval of or compliance with any item of the City of Sedona override any restrictions or denials as set forth by the CC&R's, Architectural Review Committee or Development Guidelines of Thunder Mountain Ranch.

ARCHITECTURAL REVIEW COMMITTEE DEVELOPMENT GUIDELINES SUMMARY

All newly built, remodeled or altered structures (including additions) within Thunder Mountain Ranch require an approval from the Thunder Mountain Ranch ARCHITECTURAL REVIEW COMMITTEE ("ARC"), in accordance with the provisions of the CC&R's.

ALL PARCEL OWNERS SHALL CAREFULLY REVIEW THE CC&R'S AND THE DEVELOPMENT GUIDELINES PRIOR TO BEGINNING THE DESIGN OF THEIR HOME IN ORDER TO ASSURE COMPLIANCE.

PARCEL OWNERS MUST OBTAIN FINAL APPROVAL FROM THE ARC FOR THE BUILDING DESIGN, PER THE PROCEDURES AS OUTLINED IN THESE GUIDELINES, PRIOR TO APPLYING FOR A BUILDING PERMIT FROM THE CITY OF SEDONA. PARCEL OWNERS MUST OBTAIN A BUILDING PERMIT FROM THE CITY OF SEDONA PRIOR TO BEGINNING ANY CONSTRUCTION.

These Guidelines provide for Preliminary Design Submittal and Final Design Submittal, as well as General Requirements and Restrictions. The Preliminary Design Submittal allows Owners to receive a "Preliminary Approval" from the ARC before paying for the preparation of costly detailed working drawings. Any necessary changes to the plans can be addressed prior to beginning the final drawings. Final approval by the ARC will be issued only after review of the Final Design after submittal by the Owner. Owners who are confident of their design may make the Final Design their initial submittal.

By submitting their plans to the ARC, Owner, Contractor and all other parties associated with construction activities hereby agree to indemnify the Association, the Board of Directors, the Association officers, the ARC and membership of each and to defend and hold those same parties harmless from all claims, costs, fees (including court costs and witness and attorney's fees), expenses, loss, damage and liability of any kind, including without limitation, mechanics' or materialmen's liens, which may be asserted against or incurred by the Association, the Board of Directors, the Association officers, the ARC and members of each, as a result of the construction activities by Owner, Contractor and all other parties associated with construction activities and/or damage by Owner, Contractor, their respective agents, representatives and employees and all other parties associated with construction activities This indemnity shall survive the final completion of the construction activities on the Owner's Parcel.

None of the ARC, the Board of Directors, the Association officers, any member thereof, or the Thunder Mountain Ranch Property Owners Association, or their respective successors or assigns, shall be liable for losses, claims, or damages to anyone submitting drawings or specifications to them for approval, or to any Owner or other person by reason of mistake in judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve any drawings or specifications. Every Owner or other person who submits drawings or specifications to the ARC for approval agrees, by submission of such drawings and specifications that he will not bring an action or suit against the ARC, the Board of Directors, the Association officers, the Association or the members thereof, to recover damages. Approval by the ARC, and members thereof, or the Association shall not be deemed to be representation or warranty that the Owner's drawings or specifications or the actual construction of a residence or other improvement comply with applicable governmental ordinances or regulations. It shall be the sole responsibility of the Owner or other person submitting drawings or specifications to the ARC, or performing any construction, to comply therewith.

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REVIEW PROCEDURES:

PREFACE:

All Owners, architects, engineers, designers, builders, contractors, and developers shall have received, read, and understood these Guidelines and agree to comply with them, as applicable, prior to submitting any application for ARC review.

Originality is encouraged and the use of stock designs is discouraged.

Photographs of the property viewed from both the front (road) and the rear shall be included in the first submission for new construction. These photographs must clearly show the adjacent properties on each side whether improved or unimproved. The ARC shall require an artist's rendering of the home to assure harmony with the area.

Submittals prepared by Owners acting as their own contractor are not recommended. An experienced design professional is preferred.

Submittals must include full completion of required forms. Submittals will not be accepted if, in the judgment of the ARC, the submittals do not meet ARC criteria.

In addition to the initial submittal to the ARC, whether for preliminary or final review there shall be an on-site meeting with the Owner, designer/architect, and builder regarding site restrictions and compatibility with surrounding structures, including height, massing, proportions and proposed exterior finishes and colors.

A non-refundable ARC REVIEW FEE, as per **General Information, Section a)** on Page 16 of these Guidelines, shall accompany the Application for Approval Review, Form A, and the required submittals.

An **"As Built"** copy of the plans that show any changes made during the construction process must be submitted to the ARC prior to refund of the performance deposit.

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PRELIMINARY REVIEW

REQUIRED DOCUMENTATION:

APPLICATION FOR APPROVAL REVIEW FORM:

A fully completed, signed and dated Application for Approval Review. Please refer to Form A. Select "Preliminary" box on form.

Please Note: Electronically submitted plans are not binding for preliminary approval; they may be used for advanced information purposes only

PLAT PLAN:

- a) This plat plan shall be of minimum size 24" x 36" printed, and shall include the TMR lot Number, Owner's name, and Legal Thunder Mountain Ranch construction address.
- b) Show parcel lines and building envelope in **BOLD** accurately, including length, angles, and amount of curves at scale: 1/8" equals 1-0' and containing all information for final review. For Unit 2 parcels a scale of 1/10" equals 1-0' may be used, if necessary.
- c) Show topography contours at one foot intervals, and indicate location of the highest natural elevation within the parcel boundary at scale: 1/8" equals 1-0'.

SITE PLAN:

- a) Show all building(s), walls, decks or patios, pools, spas, hot tubs, water features, paved driveways, walkways and guest parking.
- b) Describe and show location of all existing trees and shrubs, i.e. Manzanita, Scrub Oak, Juniper, etc., on the parcel. Identify all trees and shrubs intended to be removed and indicate how many, what kind, and show location of trees to be replanted.
- c) Indicate how mechanical devices will be shielded from view (i.e. heating/cooling systems, solar panels, satellite dishes, etc.).
- d) Show location of construction waste container and construction portable toilet (must be in a non-obtrusive location, preferably within the building envelope).
- e) Show location of electric meter, gas meter, water meter, phone, cable TV hookup, and sewer connection devices.
- f) Show the location of all arroyos, washes or drainage ditches located within 50 feet of the building envelope and the exact distances from the edges thereof to the side(s) of building envelope and the building to be constructed therein that are adjacent to such arroyos, washes and drainage ditches. (See General Requirements b)).

FLOOR PLAN: AT SCALE: ¼ EQUALS 1-0:

- a) Indicate all walls, columns, openings (including skylights), and any feature or condition that will affect or impact the exterior design of the building.
- b) Show all decks, patios, water features and garages.
- c) Indicate total square footage of living area. Residence must contain not less than

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1800 square feet of internal living area in TMR Unit 1 (Lots 1-57), and not less than 2000 square feet of internal living area in TMR Unit 1 amended (Lots 58-71) and TMR Unit 2 (Lots 101-143).

ELEVATION DRAWINGS:

- a) Provide exterior elevations of all sides of proposed buildings at scale: ¼" equals 1-0'.
- b) Indicate maximum height of dwelling relative to the highest natural elevation within the parcel boundaries (see CC&R's Section 7.D. "Location and Heights") with all exterior materials clearly indicated.
- c) Show wall sections and details as necessary to interpret the plans, elevations and special features.

CROSS SECTION:

Provide a cross section or profile through the highest point of the structure, and any other significant point, showing finished floor elevations, top of roof elevations, garage floor elevations, and finished deck elevations referenced to the highest natural elevation on the Plan.

PHOTOGRAPHS AND ARTIST'S RENDERING:

- a) Provide photographs of the property viewed from both the front (road) and the rear. These photographs must clearly show the adjacent properties on each side whether improved or unimproved. Provide an artist's rendering of the home to assure harmony within the area.

PROPERTY SURVEY:

- a) An independently certified property survey is required to document that all survey markers are in place.

ADDITIONAL INFORMATION:

The ARC has the option of requesting additional information that may be necessary to approve a Preliminary Review.

NON-BINDING REVIEW RESULTS:

The ARC reserves the right to require changes to plans that were approved in the Preliminary Review process.

PLEASE ALLOW 14 WORKING DAYS FOLLOWING RECEIPT OF YOUR SUBMITTAL FOR PRELIMINARY REVIEW TO RECEIVE COMMENTS FROM THE ARC.

IF FINAL PLANS ARE NOT SUBMITTED WITHIN 6 MONTHS, THEN A NEW APPROVAL PROCESS IS REQUIRED INCLUDING NEW FEES.

A time extension of 6 months maximum may be granted if the ARC receives a written extension request prior to expiration of the 6 month period above, explaining reasons for the requested extension, and no major changes of the already submitted plans are necessary.

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FINAL REVIEW

THE FOLLOWING DOCUMENTS ARE REQUIRED FOR A FINAL REVIEW:

SITE PLAN

1. A tree and topographic survey at Scale: 1/8" equals 1-0' or a scale of 1" equals 10-0' and sealed by an Arizona licensed surveyor.
2. Show building envelopes (and property lines in Unit 2) including length, angles and amount of curves at scale 1/8" equals 1-0'.
3. Describe and show location of all existing trees and shrubs, i.e. Manzanita, Scrub Oak, Juniper, etc., on the parcel. Identify all trees and shrubs intended to be removed and indicate how many, what kind, and show location of trees to be replanted. All trees to be removed must be indicated by an "X" on the Plan.
4. Contours in one foot increments of both the existing and the proposed new finished grades.
5. Direction of drainage with spot finished grade elevations.
6. A drawing of all new proposed vertical and horizontal construction located by dimensions from the property lines.
7. Edge of the roof overhang shown as a solid line and the walls below as broken lines.
8. List materials for the driveway, walks, patios, decks and pool decks as indicated.
9. Locations of all adjacent existing conditions including roads, leisure paths, open space, easements, retaining walls.
10. Construction is required to remain within the building envelope. If a minor variance requiring construction outside the envelope is proposed, the locations of all adjacent existing structures and homes shall be identified on the plan.
11. Show the location of the gutters and down spouts, including those on any patio walls.
12. Indicate how mechanical devices will be shielded from view (i.e. heating/cooling system, solar panels, satellite dishes, etc.).
13. Show location of construction waste container and construction portable toilet (must be in a non-obtrusive location, preferably within the building envelope).
14. Show location of buildings, walls, decks, patios, pools, spas, hot tubs, water features, guest parking, driveway, and walkways.
15. Show location of electric meter, gas meter, water meter, phone, cable TV hookup and sewer connection devices.
16. Provide photographs of the property viewed from both the front (road) and the rear. These photographs must clearly show the adjacent properties on each side whether improved or unimproved. Provide an artist's rendering of the home to assure harmony with the area.

FLOOR PLANS

1. Scale: 1/4" equals 1-0', fully and accurately dimensioned.

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2. Floor plans should include all features, including stairs, patios, decks, porches, columns, garages, entry deck, landings, planters, water features, walls, doors, windows, dashed "broken" lines of roof overhangs, location(s) of access stairs, skylights, and ceiling configurations.
3. Indicate total square footage of living area. Residence must contain not less than 1800 square feet of internal living area in TMR Unit 1 (lots 1-57), and not less than 2000 square feet of internal living area in TMR Unit 1 amended (lots 58-71) and TMR Unit 2 (lots 101-143).

ROOF PLAN

1. May be shown on the Site Plan or separately.

ELEVATION DRAWINGS

Where applicable and unless otherwise shown, the following details for elevation drawings should be provided at a scale of ¼" equals 1'-0':

1. All major facades and all other facades not otherwise visible.
2. Vertical story heights, floor elevations, sill and plate heights, maximum roof height from lowest finished grade, door and window heights dimensioned and existing grades and new finished grades shown.
3. All exterior finish materials indicated by means of symbols, conventions, or notations **must be consistent** on the Plans, Sections, and Details.

WALL SECTIONS

Where applicable and unless otherwise shown, the following details should be provided at a minimum scale of 1" equals 1'-0'.

1. Wall sections of the main house, garage, and any other wall elements should clearly depict the structural assembly of the house. Sections are usually from the bottom of the footing to the roof rafters including the cornice overhang.
2. Service Yard - Vertical section, horizontal plan, and equipment platform, if applicable.
3. Patio Wall Extensions, if applicable - Section from bottom of footing to top of wall.
4. Sections should be fully notated and dimensioned for all components.

DETAILS

Where applicable and unless otherwise shown, the following details should be provided at a scale no smaller than 1" equals 1'-0':

1. Foundation
2. Cornice and Gable Rakes: Overhang Dimensions, Materials and Dimensions
3. Chimney termination: Dimensions and Material
4. Corner trim: Dimensions and Materials(s)
5. Door and Window trim including head, jamb, and sill: Dimensions and Materials(s)
6. Porch and Deck Framing including posts, columns, railings and stairs
7. Entry and other exterior stairs
8. Columns and Pilasters

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9. Lattice detail: Dimensions and Spacing
10. Louver detail
11. Service Yard

ELECTRICAL PLAN

Where applicable and unless otherwise shown, the following details should be provided at a scale ¼" equals 1-0':

1. All exterior lighting and electrical outlets indicated including wall and post-mounted units and landscape lighting circuits as per City of Sedona outdoor lighting application form.
2. Locations shown of the electric meter in the service yard and the house main distribution/breaker panel(s).
3. All electrical specifications must comply with the current National Electric Code as well as all applicable local codes.

SPECIFICATIONS

Any written specifications pertinent to and not otherwise shown should be notated or indicated clearly on the drawings.

SAMPLE SUBMITTALS

Roofing materials, wall materials, and exterior colors, along with the working drawings. These samples must be the same as the samples submitted to the City of Sedona and shall be kept in the ARC files.

1. No promotional color charts or roofing materials will be accepted.
2. The main house exterior color sample with the applicable specification shall be applied to a minimum 8 1/2" x 11" sheet.
3. Trim color should be applied to a sample of the trim.
4. Only compatible colors which conform to Sedona's Environmentally Sensitive Lands Ordinance may be considered by the ARC for approval.
5. An actual sample of the roofing material to be used.
6. All exposed shiny metal flashing or devices must be painted.

LOW PRESSURE SEWER SYSTEM

1. Plans must show the location for the 2 H.P. sewage grinder pump and related minimum 250 gallon emergency overflow tank. This system requires all components be engineered to be compatible in use and approved by the Arizona Department of Environmental Quality.

LANDSCAPE PLAN

The landscape plan must be submitted as part of the Final Review and shall clearly indicate the following:

1. Must agree with Site Plan/Drainage Plan drainage flow and finished grade contours.
2. Show locations of all existing and replacement trees, shrubs, lawn, ground cover, gravel and other landscape features. Provide size and color of gravel along with a sample. Provide square footage description of surfaces covered by ground cover, lawn and gravel.

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3. Berms, swales and other drainage control features with spot elevations.
4. All trees and shrubs by species and planted sizes.
5. Provide irrigation system plan.

Landscaping must be implemented and completed within 3 months following receipt of a copy of the Certificate of Occupancy by the ARC. If it is not completed, Owner will be subject to a penalty. The final ARC inspection shall be made after landscaping is completed and the performance deposit will be returned upon final inspection and approval.

If determined by the ARC as necessary, the Owner shall have the City of Sedona Building Inspector inspect the completed landscaping to ensure that all drainage complies with the City's requirements. A copy of this Inspection Certificate must be submitted to the ARC prior to final ARC inspection.

In addition to the foregoing items, the Owner shall also submit to the ARC the following items before receiving final approval from the ARC.

1. A contractor's performance bond or irrevocable letter of credit in the amount of \$50,000.00 or, in the alternative, an additional Owner's deposit in the amount of \$50,000.00. (See Appendix)
2. A performance deposit in the amount of \$10,000.00. (See Appendix)

Final plan approval, once received from the ARC, is good for a six (6) month period, provided no changes are made on the approved plans. If construction is delayed beyond that time, re-submittal WILL be required in order to obtain re-approval by the ARC. A copy of the City of Sedona Building Permit must be submitted to the ARC before construction begins.

DRIVEWAY

The surface of the driveway must be pavers with a color compatible with house. Concrete driveways are not approved due to water runoff. Culverts and irrigation pipe sleeves under the driveway where applicable must be approved by the ARC. Per the Thunder Mountain Ranch CC&R's section 7.E(i), driveway width shall be 16 ft. maximum.

SOLAR POWER

Solar power is encouraged. Panel installation / roof location must be approved by the ARC.

SWIMMING POOL SUBMITTAL REQUIREMENTS:

Swimming pools, whether new construction or an addition to an existing home, must be located within the building envelope and require a separate building permit by the City of Sedona and approval by the ARC. The Site Plan for a swimming pool must be submitted as part of the Final Review and shall include the following:

1. A Site Plan to scale showing, by dimensions, the relation of the pool and pool deck to the property lines, setback lines, and house. Show existing and new finish grade contours, drainage flow, and tree removals.
2. Photographs of the area of the proposed pool including the existing landscape, trees, and natural growth.
3. Pool and pool deck dimensions.
4. Elevation (AMSL) of pool deck and finish floor elevation of house.
5. Location(s) of stairs or steps from house to pool deck.
6. Location of all pool equipment.

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7. Structural section through pool and deck indicating depths and materials.
8. Samples of materials with proposed colors: tile, coping and deck finish.
9. Barrier fencing (child proof security walls or fencing).
10. Landscape changes and additions.
11. Locations and types of pool and deck lighting.
12. Define other features: spa, waterfall, etc.
13. Indicate route of mobile equipment access to pool site.
14. Describe disposal of excavated earth.

If a pool enclosure is proposed, submit the following details:

Dimensioned Floor Plan

Elevation drawings of all exposed sides showing the relation to and interface with the house

All pertinent details

Actual samples of all materials and colors

ADDITIONS OR ALTERATIONS:

In addition to other submittal requirements, the Site Plan for additions or alterations must be submitted as part of the Final Review and shall clearly indicate the following:

1. A current Site Plan showing the location of the existing structure with the proposed new work clearly indicated, locations of outside corners dimensioned from the property lines, required setback lines shown, and tree removals indicated.
2. Photographs of the existing structure showing the areas of the new work clearly marked.
3. Indicate direction(s) of the photograph(s) on the Site Plan.
4. Floor Plan(s) and elevation at scale $\frac{1}{4}'' = 1-0'$.
5. Details necessary to define the extent and intent of the proposed work.
6. All new work shall be **clearly** delineated.
7. Indicate any dismantlement (demolition) work required.
8. A copy of the plans must be approved by the ARC prior to the issuance of the City of Sedona Building Permit for all projects.

In addition to the forgoing items, the Owner shall also submit to the ARC a performance deposit in an amount not to exceed \$10,000.00 as determined by the ARC. (See Appendix)

When additions require the removal of existing landscaping, a new landscaping plan must be submitted, which indicates proposed new or relocated plantings in the area of the new work.

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RE-SUBMITTALS & DESIGN CONFERENCES:

It is recommended that the property owner, architect, designer, or general contractor meet with the ARC to review the comments and suggestions prior to resubmitting any disapproved plan.

After a project has been submitted for a review a second time, and still has not received approval, the Owner and/or the Owner's representative (Architect or Designer) is required to make arrangements for a design review conference with assigned representatives of the ARC for the purpose of clarification of all ARC requirements.

VARIANCES:

The ARC has the authority to and may occasionally grant certain variances when there is valid justification and where the **variance does not have a negative impact on the adjacent properties or the neighborhood.**

All variances from these Guidelines, which are requested, must be indicated on the Application for Design Review with substantial justification narrative.

If, during a design review, the ARC discovers a variance that has not been requested, the submittal may be disapproved.

The ARC cannot grant a variance to a Covenant or a City of Sedona Zoning regulation.

No variance can be granted which does not comply with codes, ordinances, rules or regulations of any governing authority. Should any approval by the ARC be in conflict with any code, ordinances, rules or regulations of any governing authority, Owner must notify the ARC and submit corrected plans.

APPEALS:

If the ARC disapproves a design review or a change from the approved plans during construction, the Owner may submit amended plans to comply with the ARC comments.

Within fourteen working days from the date of the ARC notice to the Owner of its disapproval of a Design Review or change of approved plans, the Owner may make a request in writing for a hearing before the ARC.

If after the ARC hearing the Owner disagrees with the outcome, the Owner may then appeal to the TMR Board of Directors for further review, in accordance with the CC&Rs.

After reviewing the facts, the Board may then either affirm or reject the ARC decision. The TMR Board decision will be final.

PROJECT TIME LIMITS:

NEW CONSTRUCTION PROJECTS WITH A BUILDING PERMIT MUST BEGIN WITHIN SIX MONTHS AFTER THE ARC FINAL REVIEW APPROVAL, AFTER WHICH A NEW APPLICATION AND APPROPRIATE FEE WILL BE REQUIRED. THE ARC MUST BE NOTIFIED OF THE DAY WHEN CONSTRUCTION BEGINS.

NEW CONSTRUCTION PROJECTS MUST BE COMPLETED AND HAVE ARC FINAL COMPLIANCE APPROVAL WITHIN FIFTEEN (15) MONTHS OF THE START OF CONSTRUCTION. THE START OF CONSTRUCTION BEGINS WITH THE ERECTION OF THE PROTECTIVE FENCES AS REQUIRED BY THE CITY OF SEDONA. THE END OF CONSTRUCTION WILL BE WHEN A COPY OF THE CERTIFICATE OF OCCUPANCY IS PROVIDED TO THE ARC.

ADDITIONS AND ALTERATIONS MUST BE COMPLETED WITHIN SIX (6) MONTHS OF THE ARC FINAL REVIEW APPROVAL.

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AN EXTENSION OF THREE (3) MONTHS MAY BE GRANTED, AT THE DISCRETION OF THE ARC, IF A WRITTEN REQUEST FOR EXTENSION FOR REASONABLE AND JUSTIFIABLE CAUSE IS MADE TO THE ARC AT LEAST 30 DAYS PRIOR TO THE EXPIRATION OF THE FIFTEEN (15) MONTH PERIOD IN THE CASE OF NEW CONSTRUCTION AND SIX (6) MONTH PERIOD IN THE CASE OF ADDITIONS AND ALTERATIONS.

IF CONSTRUCTION IS NOT COMPLETED WITHIN THE ABOVE TIME LIMITS, A LATE COMPLETION CONSTRUCTION PENALTY SHALL BE ASSESSED AND, IF NOT PAID BY OWNER, SHALL BE WITHHELD FROM THE PERFORMANCE DEPOSIT PER THE CC&R'S AND DEVELOPMENT GUIDELINES.

REPLACEMENT AFTER DAMAGE OR DESTRUCTION:

Single Family Dwelling

In the event of damage or destruction by fire or other casualty to any dwelling, if the Owner of such Single Family Dwelling Unit elects not to repair or rebuild the damaged or destroyed Single Family Dwelling Unit, such Owner shall clear away the debris of any damage to improvements or vegetation and leave such Single Family Dwelling Unit and the Lot upon which it is located in a clean, orderly, safe and visibly appealing condition within seventy-five (75) days of the damage or destruction. Should such Owner elect to repair or rebuild such Lot or Single Family Dwelling Unit or other improvements, such Owner shall repair or rebuild such Lot or dwelling or other improvements to substantially the same condition as existed prior to the damage or destruction, unless otherwise permitted by the ARC. Such work must be in accordance with all applicable provisions of this section, these Development Guidelines and all applicable zoning, subdivision, building, and other governmental regulations. All such work, repair, or construction shall commence within seventy-five (75) days following such damage or destruction and shall be carried through diligently to conclusion as per ARC regulations and these Development Guidelines.

b) Major Disasters

In the instance of a major disaster affecting multiple properties, defined as the destruction of or major damage to three or more properties caused by wild fire, wind or rockslide, the following modified procedures shall apply:

OPTION A:

The Owner may restore the property to its original unimproved condition including the removal of pools, if applicable and the application of ground cover.

OPTION B:

The Owner may restore the property to its condition prior to the damage with no exterior changes. Upon receipt of a written Application stating "NO CHANGES", the ARC will issue an approved letter marked "NO CHANGES."

OPTION C:

The Owner may restore the property with proposed exterior changes and/or additions or changes required by current applicable building codes, ordinances, rules, regulations or guidelines. All applicable ARC review procedures apply as per these Development Guidelines. If any changes to the approved plans involving the exterior of the structure or the site are contemplated during the course of construction, documentation and a request for Design Review must be submitted to the ARC prior to the execution of any changes. If a variance is involved, the variance shall be described and justified on an amended Application for Design Review.

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Any non-approved changes or violations discovered during on-site inspections will be considered a violation and may require restoration to the approved plans in addition to any appropriate penalties.

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General Information

ARC REVIEW FEE:

Schedule of Fees:

New Home:

Size	<u>Less than 4,000 sq. ft.</u>	<u>4,000 sq. ft. or more</u>
Fee	\$350.00	\$500.00

Alteration/Addition/Landscaping*

Estimated Cost	\$2,000 <u>or less</u>	\$2,001- <u>\$5,000</u>	\$5,001 <u>or more</u>
Fee	\$50.00	\$100.00	\$200.00

* Refers to landscaping that is unrelated to new construction.

- a) The Owner must provide the ARC with a written estimate or bid of the total cost of the project.
- b) These fees are valid as of June 1, 2007, are non-refundable and shall be paid with the application for the ARC review process. The ARC reserves the right to change the amount of the fees from time to time. These fees cover the cost of expenses and outside professional services incurred by the ARC and are in addition to the yearly homeowner association assessments. The ARC reserves the right to charge additional non-refundable fees for the review of complex plans or changes made to plans. In the event it is determined that additional fees will be required, the ARC shall notify Owner in advance of fees being incurred. All checks written for the ARC fees should be made payable to the Thunder Mountain Ranch Property Owners Association and submitted to the ARC.

NOTIFICATION PROCESS AND REQUIRED FORMS (SEE APPENDIX SECTION PAGE 29.)

In order to efficiently expedite the review process, the following separate forms will be used by the applicant and the ARC.

a) Application for Approval Review (**Form A**)

The applicant shall fill out the form and describe the conceptual new home design or alteration/addition, and the start and finish of the construction period, along with the required documentation as outlined in the preliminary and final review sections of these Development Guidelines. The application shall be accompanied by the appropriate non-refundable review fee.

b) Preliminary and Final Approval (combined) (**Form B**)

The ARC will fill out the form and return to the Owner the signed form checked as preliminary or final that will allow or disallow the submittal information. The

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approval form, checked as final, will allow completion of all necessary documentation for the City of Sedona permitting process.

The ARC will return to the Owner the signed form, along with one set of approved drawings, which allows the City of Sedona to complete the permitting process.

c) Regulation Agreement **(Form C)**

The ARC Regulation Agreement acknowledges responsibility of all parties to comply with these Development Guidelines and CC&R's and shall be filled in by the Owner and signed by the Owner, architect, designer and builder and returned to the ARC before final plan approval.

d) Completion/Compliance **(Form D)**

This form shall be filled out by the ARC after the Owner requests a final completion/compliance inspection by the ARC as a precondition to release all deposits. The ARC and Owner shall sign the form after inspection and approval.

e) ARC Review Fee and Construction Bond and Performance Deposit Form **(Form E)**

This form shows all funds received and disbursed by the ARC during the approval and construction period, and shall serve as receipt for the Owner. This form shall be filled out by the ARC and the Treasurer of the TMRPOA.

f) Construction Violations Notice **(Form F)**

This form details the procedures for notifications and penalties for the violations listed on the form, which violations relate to construction related damage or noncompliance with these Development Guidelines or CC&R's. This form shall be filled out by the ARC and sent to the Owner.

g) Performance Bond **(Form G)**

This form explains the requirements for obtaining a Performance Bond, an Irrevocable Letter of Credit or an Additional Performance Deposit.

h) Form of Performance Bond **(Form G-1)**

If the Owner's building contractor elects to use the Performance Bond, this form shall be signed by the contractor and bonding company, notarized, and submitted to the ARC before final approval of plans by the ARC.

i) Form of Irrevocable Letter of Credit **(Form G-2)**

If the Owner's building contractor elects to use the Irrevocable Letter of Credit, this form shall be signed by the contractor and bank and submitted to the ARC before final approval of plans by the ARC.

j) Additional Performance Deposit **(Form G-3)**

This form describes the procedure in the event the Owner prefers to deposit \$50,000.00, in cash, in lieu of a Performance Bond or Irrevocable Letter of

Credit. k) Additional Performance Deposit Agreement **(Form G-4)**

This form serves as the acknowledged agreement, which is signed by the Owner, and outlines the terms and conditions for the \$50,000.00 cash deposit.

l) Performance Deposit Forms-General Information **(Form H)**

This form explains the procedure of how the cash deposit of \$10,000.00 (or less in the case of addition/alteration) shall be used in the event of non-compliance with the

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Guidelines or CC&R's.

m) Performance Deposit Agreement (**Form H-1**)

This form serves as the acknowledged agreement, which is signed by the Owner, and outlines the terms and conditions for the \$10,000.00 (or less in the case of addition/alteration) cash deposit.

n) Notice of Voluntary Lien (**Form H-2**)

This form serves as an assurance that the cash deposit will be replenished in the event the Owner fails to pay the penalty as per the Guidelines.

o) Setback Requirement Confirmation (**Form I-1**)

This form requires that the City of Sedona acknowledge that the lot is in compliance with City of Sedona setback requirements.

p) City of Sedona Building Permit

A copy of the building permit shall be submitted to the ARC by the Owner/Contractor as soon as it is issued.

PERFORMANCE BOND AND PERFORMANCE DEPOSIT FOR A NEW HOME (PRESERVATION AND DAMAGE REPAIR ASSURANCE):

- a) As a prerequisite to receiving final approval of any plans or specifications for the construction of any improvements to any Parcel, the ARC shall require that a Contractor's Performance Bond, issued by an approved bonding company, or Irrevocable Letter of Credit, issued by an approved financial institution, in the amount of \$50,000.00, be submitted to the ARC. The Bond or Irrevocable Letter of Credit shall be purchased in favor of the Association and shall secure the Builder's full and faithful compliance with the CC&R's, these Development Guidelines, and all approvals given by the ARC. Alternatively, the Owner may tender a cash performance deposit in the amount of \$50,000.00 (the "Additional Performance Deposit") in lieu of the Bond or Irrevocable Letter of Credit; provided, however, that the ARC provides such Owner with prior written approval to make such Deposit in lieu of the Bond or Irrevocable Letter of Credit. The Bond, Irrevocable Letter of Credit or the Additional Performance Deposit must remain in effect until completion of the residence and until a copy of the Certificate of Occupancy from the City of Sedona is provided to the ARC and a final inspection has been completed. See Performance Bond Forms in Appendix.

In addition, as a prerequisite to receiving final approval of any plans or specifications for the construction of any improvements to any parcel, Owner shall deposit with the Association the sum of \$10,000.00, in cash, (the "Performance Deposit"), as security against any penalties incurred and/or damage caused by the acts and/or omissions of Owner, Owner's building contractor and/or their respective employees, agents or subcontractors in connection with the construction of improvements on Owner's parcel.

- b) Upon the occurrence of any such penalties or damage, the Association from time to time, and without prejudice to any other remedy, may use the Performance Deposit to, among other things, (a) pay assessed penalties if not paid by Owner within seven (7) days of notification by the ARC, (b) repair and/or rectify the damage if not repaired or rectified by Owner within seven (7) days of notification by the ARC, (c) enforce these Development Guidelines, the CC&R's and any other rule or regulation thus violated and cure any defect or problem caused by said non-compliance. It is

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expressly understood that the use of any or all of the Performance Deposit shall not be considered a measure of the damage nor release Owner from paying additional amounts if the total penalties and/or damage exceeds \$10,000.00.

Following the Association's use of all or any portion of the Performance Deposit, Owner shall immediately pay to the Association an amount sufficient to replenish the Performance Deposit to the sum initially deposited. Failure to replenish the Performance Deposit within seven (7) days following the Association's delivery of written demand shall be deemed a material breach of these Development Guidelines and the CC&R's and shall entitle the Association to lien Owner's parcel in an amount equal to the Performance Deposit deficiency. This Performance Deposit, to the extent not used to collect penalties or to repair damage caused by the construction, shall be returned, with accumulated interest, to Owner within 60 days of final inspection approval by the ARC. See Performance Deposit Forms in Appendix.

PERFORMANCE DEPOSIT FOR ALTERATION/ADDITION OR MAJOR LANDSCAPING TO EXISTING DWELLING (PRESERVATION AND DAMAGE REPAIR ASSURANCE):

- a) For alterations/additions or landscaping totaling \$5,000.00 or less, the ARC reserves the right to require a Performance Deposit if the work has the potential to damage common area or adjacent parcels. This Performance Deposit shall not exceed \$5,000.00, in cash, and shall be used as security against any penalties incurred and/or damage caused by the acts and/or omissions of Owner, Owner's building contractor and/or their respective employees, agents or subcontractors in connection with the construction of improvements on Owner's parcel.

Upon the occurrence of any such penalties or damage, the Association from time to time, and without prejudice to any other remedy, may use the Performance Deposit to, among other things, (a) pay assessed penalties if not paid by Owner within seven (7) days of notification by the ARC, (b) repair and/or rectify the damage if not repaired or rectified by Owner within seven (7) days of notification by the ARC, (c) enforce these Development Guidelines, the CC&R's and any other rule or regulation thus violated and cure any defect or problem caused by said non-compliance. It is expressly understood that the use of any or all of the Performance Deposit shall not be considered a measure of the damage nor release Owner from paying additional amounts if the total penalties and/or damage exceeds the amount of the Performance Deposit as determined by the ARC.

Following the Association's use of all or any portion of the Performance Deposit, Owner shall immediately pay to the Association an amount sufficient to replenish the Performance Deposit to the sum initially deposited. Failure to replenish the Performance Deposit within seven (7) days following the Association's delivery of written demand shall be deemed a material breach of these Development Guidelines and the CC&R's and shall entitle the Association to lien the Owner's parcel in an amount equal to the Performance Deposit deficiency. This Performance Deposit, to the extent not used to collect penalties or to repair damage caused by the construction, shall be returned, with accumulated interest, to Owner within 60 days of final inspection and approval by the ARC.

- b) For alterations/additions, landscaping, or swimming pools totaling over \$5,000.00, Owner shall deposit with the Association a Performance Deposit in an amount determined by the ARC not to exceed the sum of \$10,000.00, in cash, (the "Performance Deposit"), as security against any penalties incurred and/or damage caused by the acts and/or omissions of Owner, Owner's building contractor and/or

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their respective employees, agents or subcontractors in connection with the construction of improvements on the Owner's parcel.

Upon the occurrence of any such penalties or damage, the Association from time to time, and without prejudice to any other remedy, may use the Performance Deposit to, among other things, (a) pay assessed penalties if not paid by Owner within seven (7) days of notification by the ARC, (b) repair and/or rectify the damage if not repaired or rectified by Owner within seven (7) days of notification by the ARC, (c) enforce these Development Guidelines, the CC&R's and any other rule or regulation thus violated and cure any defect or problem caused by said non-compliance. It is expressly understood that the use of any or all of the Performance Deposit shall not be considered a measure of the damage nor release Owner from paying additional amounts if the total penalties and/or damage exceeds the amount of the Performance Deposit as determined by the ARC.

Following the Association's use of all or any portion of the Performance Deposit, Owner shall immediately pay to the Association an amount sufficient to replenish the Performance Deposit to the sum initially deposited. Failure to replenish the Performance Deposit within seven (7) days following the Association's delivery of written demand shall be deemed a material breach of these Development Guidelines and the CC&R's and shall entitle the Association to lien the Owner's parcel in an amount equal to the Performance Deposit deficiency. This Performance Deposit, to the extent not used to collect penalties or to repair damage caused by the construction, shall be returned, with accumulated interest, to Owner within 60 days of final inspection and approval by the ARC.

COMPLETION/COMPLIANCE FINAL INSPECTION:

- a) Owner must contact the ARC to start the final completion/compliance inspection and refunding process. Prior to the inspection process Owner shall submit, where applicable, a clearly marked "as built" set of drawings. All changes to plans, including internal changes, must be documented in the "**As Built**" plans. The City of Sedona Certificate of Occupancy for new construction, or Inspection Verification for alteration/addition, must be submitted to the ARC before final inspection is scheduled as well as a copy of the **Location Survey** from a licensed Arizona land surveyor.
- b) Any written correspondence stating a requirement of the ARC which has not been complied with shall remain in effect until complied with and until the final completion/compliance inspection is completed.
- c) Any non-approved changes or violations discovered during on-site inspections will be considered a violation and may require restoration to the approved plans in addition to any appropriate penalties.

GENERAL REQUIREMENTS AND RESTRICTIONS:

In addition to the requirements and restrictions listed herein, Owner is reminded to carefully review the CC&R's as they pertain to construction and landscaping.

- a) Approval and compliance with the CC&R's and these Development Guidelines does not relieve Owner, architect and builder from complying with the Building Code of the City of Sedona, nor does the approval or compliance of any item by the City of Sedona override any restrictions or denials as set forth by the CC&R's, ARC or these Development Guidelines.
- b) As a prerequisite to the approval of any plans or specifications for the construction of

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any improvements to any Parcel, the ARC shall require the Owner of said parcel to provide written documentation from the City of Sedona that the building envelope is in compliance with all current city, county or state set back requirements from any existing arroyos, washes or drainage ditches. (See Form I-1 Setback Requirements Confirmation.) If the location of the building envelope does not meet applicable then current city, county or state set back requirements, then the Owner will be responsible for moving such building envelope to cause it to be in compliance with such set back requirements before any approvals for construction will be given by the ARC. In any case where moving the building envelope is required, the Owner must first request the approval by the ARC of the proposed envelope change prior to submitting such request to the City of Sedona and Yavapai County planners. The Owner shall be solely responsible for obtaining from the City of Sedona and Yavapai County all necessary approvals for the building envelope change and for having prepared and recorded all amended plats and other documents necessary to effectuate such change. The Owner shall be solely responsible for all costs associated with completing the envelope change process. If the location of a building envelope and/or proposed building is in compliance with city, county and state set back requirements, or does not fall under such requirements, but in the sole opinion of the ARC, the distance of the building envelope from an arroyo, wash or drainage ditch could at some time in the future result in a violation of any applicable setback requirements or could endanger the building due to the erosion or other changes to the arroyo, wash or drainage ditch, then, at its option, the ARC may require that the building envelope be moved as a condition to the approval by the ARC of the building plans.

- c) Prior to excavation, the dwelling construction site must be properly fenced with a construction fence per City of Sedona requirements and with ARC approval. This construction fence must be properly maintained at all times during construction. The dwelling construction site must be surveyed and staked as the Plat Plan indicates and as approved with any trees to be removed inside the building envelope flagged including in driveways and patios. Trees and other vegetation inside or outside the building envelope may not be removed unless prior approval is granted. The ARC must be notified after the site is surveyed and staked for inspection and a copy of the Location Survey report of a licensed surveyor must be submitted to the ARC for verification.
- d) Any trees or bushes that have been cut down must be promptly hauled away. Owner must save all existing trees and bushes whenever possible. Any trees or bushes not approved for removal that are damaged during construction shall be replaced with similar variety and size of plant by Owner.
- e) After the required Location Survey has been submitted to the ARC and the final floor elevation has been established (relative to a benchmark), ARC approval of same is necessary prior to pouring any concrete.
- f) Owners shall be held responsible for all builders and subcontractors. A dumpster or adequate means for storage and removal of trash (waste container), as approved by the ARC, must be on the construction site at all times and must be located on the building envelope or in an area approved by the ARC. All trash and waste materials must be deposited in the dumpster or waste container daily and disposed of properly and timely. All common area, roadways and neighboring properties must be kept clear of building materials, construction equipment, dumpsters, portable toilets, trash and debris at all times. All materials and equipment must be stored on the building envelope. No overnight parking of any equipment or construction materials is permitted on common area or neighboring properties. A waiver of this

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requirement may be requested from the ARC, in advance and in writing, and may be granted, if, in the opinion of the ARC, justifiable cause or undue hardship exists for the granting of this waiver. Under no circumstances will a waiver be granted for trash or debris to be left on any parcel or common area.

- g) Construction site, including the Thunder Mountain Ranch streets, shall be kept clean and neat at all times. Methods to prevent tracking of dirt, mud and other materials from the construction site onto Thunder Mountain Ranch streets or private streets and driveways shall be incorporated at all times. Removal of tracked, dropped, sifted or otherwise deposited material on Thunder Mountain Ranch streets or private streets and driveways shall occur daily or as deemed necessary by the ARC to avoid the occurrence of dust, excessive mud, hazard, or nuisance to the public, which includes vehicles and pedestrians. Water or other substances may be sprinkled on the roadway for the purpose of cleaning or maintaining the roadway. Measures shall be employed at all times to prevent erosion and the entrance of material into the storm drainage system. Provision shall be made to trap and remove material entering the storm drainage system. The storm drainage system includes gutters, ditches, pipes and channels.
- h) Methods shall be available at all times (such as water or dust palliatives) to maintain the site in a dust free condition, and to prevent airborne dust particles from migrating off-site. Excavation and grading shall be halted when conditions render mitigation methods ineffective.
- i) Flushing and cleaning of concrete trucks, mixers, etc., shall not be done in such a manner as to allow the migration of water or material outside the building envelope. All such material shall be disposed of properly and not left on-site.
- j) Trespassing, for any reason, is not permitted on adjoining parcels.
- k) No burning is allowed.
- l) Culvert (size to be determined by the Sedona Building Department) must be installed prior to home construction so as to allow drainage flow under driveway, or as required by the City of Sedona. Any damage to the road, sidewalks or common area during construction must be repaired by the builder.
- m) Only one construction related sign, no larger than 18" x 24", shall be posted on site. It must include the builder's name and emergency contact number and may include the name of the architect and financial institution funding the project. Plans must be on site.
- n) Reasonable construction daily starting times and noise levels must be observed. Summer hours, beginning on May 1st, are 6 am to 7 pm, and winter hours, beginning on October 1st, are 7 am to 5 pm. Any work on Sunday and observed major holidays is strictly prohibited. Major holidays are New Years Day, Memorial Day, July 4, Labor Day, Thanksgiving, and Christmas.
- o) A temporary toilet must be on-site, in a location approved by the ARC, and regularly maintained during construction.
- p) Any mailbox installed must be the style and make as already established in the Thunder Mountain Ranch area and must be obtained from the Association. ARC will not allow any exceptions.
- q) Any exterior decorations or artwork, such as statues or sculptures, must be approved

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and should not be conspicuous from the street or adjacent neighborhood.

- r) Exterior lighting: no floodlights allowed. No all-night lights allowed. All exterior lighting shall be shielded. Motion security lighting is permitted so long as in the sole opinion of the ARC it does not create a disturbance to neighbors. Outdoor lighting should be placed only where needed and should be low wattage whenever possible. (See Sedona outdoor lighting (L:\N_ Forms\Light.doc, rev.10/03.)
- s) Consult current City of Sedona Building Code requirements for fireplace flues.
- t) During construction, the parking of vehicles at the site **must not restrict normal traffic flow or block neighbors' access or mailboxes**. Damage to common area due to vehicular parking must be repaired by Owner. Parking on both sides of the roadways will not be permitted. Overnight or long-term parking of construction vehicles is not allowed except that operable construction vehicles may be parked for a reasonable amount of time on the construction site to facilitate construction. Non-compliance is subject to a penalty.
- u) Antennas, satellite dishes, and basketball hoops cannot be erected without prior ARC approval and must be in accordance with applicable law. A satellite dish cannot be greater than 32" in diameter.
- v) Only one "For Sale" sign per parcel shall be allowed and such sign shall be no more than 18"x24" with a dark green background with beige or white letters.
- w) All utility lines and connections within a parcel shall be underground. All utility meters, other than water meters already installed, shall be set back a minimum of 6' from all public and private roadways or shared driveways and shall be screened and/or painted. Water hookups to construction site must be made prior to excavation for foundation or as approved by ARC.
- x) Generators are allowed only until electric service is available from APS. Once electric service is available, Owner must hook up to it. Electric service shall be considered available when the first wall of the structure, where the meter will be permanently installed, is constructed and the meter is approved by APS and the appropriate City of Sedona agency. In the event the permanent meter will not be installed when the initial framing begins, then Owner must obtain temporary electric service from APS before framing begins. In no event will any generator be allowed to be run after two weeks from the time framing begins. All generators must be the quiet type or be sufficiently shielded so the noise does not adversely impact the neighboring homes.
- y) No audio equipment or boom boxes shall be allowed. Use of such equipment inside the enclosed house is allowed as long as it cannot be heard outside.
- z) Alcoholic beverages, firearms or drugs are not allowed on the construction site at any time.

ENFORCEMENT:

These Development Guidelines may be enforced by the ARC and/or the Association, as provided herein, or in the CC&R's.

CONSTRUCTION VIOLATIONS AND PENALTIES:

If any conditions or restrictions of these Development Guidelines are not met by Owner's building contractor, a Construction Violations Form (Form F) will be sent to Owner by certified mail. The Form details the procedures for notifications and penalties for the violations listed on the Form. If an Owner receives this form, he should review it carefully in

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order to understand what violations he is are being notified of, what penalties he may already be, or may become, responsible for paying, and what he must do within what timeframe.

In all the required timeframes specified in the Form, the ARC may allow extra time if the nature of the violation is such that it is not practical to correct it within the required time and Owner is acting in good faith to correct the violation as quickly as possible.

Most categories of violations have a multi-step procedure for notification of the violation and the timing and amount of any associated penalties. The notices for these categories and their explanatory information as it appears on the form are detailed next, followed by the list of categories to which these notices apply, and finally by additional categories of violations and their associated penalties.

First Violation Notice – The violations noted below must be corrected within seven (7) days of receipt of this *Notice*. Failure to correct the violations within this timeframe will result in a *Penalty Notice for First Violation* that will require the payment of \$500.00 to the Association plus a continuing \$50.00 per day penalty until the violations are corrected and Owner's full payment of the penalty, and daily penalties, is received by the Association. Note: If Owner has a second violation in the same category below within a 365-day period, the penalties will double as detailed below.

Penalty Notice for First Violation – As a result of the fact that Owner has not, within the required seven (7) days, corrected the violations brought to Owner's attention with *First Violation Notice*, Owner will be required to pay a \$500.00 penalty plus a continuing \$50.00 per day penalty, calculated from the date of receipt of the *Penalty Notice* (by certified mail, return receipt) until the violations are corrected and Owner's full payment of the penalty, and daily penalties, is received by the Association. In the event the violations are not corrected and all penalties paid within seven (7) days of receipt of the *Penalty Notice*, the Association reserves the right to double the daily penalty under this *Penalty Notice for First Violation* until these conditions are satisfied.

Second Violation Notice – The repeat violations for which Owner has previously received a *First Violation Notice* involving the same violation category or categories within a 365-day period must be corrected within seven (7) days of receipt of this *Notice*. Failure to correct the violations within this timeframe will result in a *Penalty Notice for Second Violations* that will require the payment of \$1000.00 to the Association plus a continuing \$100.00 per day penalty until the violations are corrected and Owner's full payment of the penalty, and daily penalties, is received by the Association. Note: If Owner has three or more violations in the same category below within a 365-day period, Owner will not have a seven (7) day grace period to correct the violation and will immediately receive a *Penalty Notice for Third or More Violations* that will require the payment of \$1000.00 to the Association plus a continuing \$100.00 per day penalty until the violations are corrected and Owner's full payment of the penalty, and daily penalties, is received by TMRPOA.

Penalty Notice for Second Violations – In the event Owner does not, within the required seven (7) days, correct the violations brought to Owner's attention with *Second Violation Notice*, Owner will be required to pay a \$1000.00 penalty plus a continuing \$100.00 per day penalty, calculated from the date of receipt of the *Penalty Notice* for Second Violations (by certified mail, return receipt) until the violations are corrected and Owner's full payment of the penalty, and daily penalties, is received by the Association. In the event the violations are not corrected and all penalties paid within seven (7) days of receipt of the *Penalty Notice for Second Violations*, the Association reserves the right to double the daily penalty under the *Penalty Notice for Second Violations* until these conditions are satisfied.

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Penalty Notice for Third or More Violations – As a result of the fact that Owner has had at least two prior *Violation Notices* on repeat violations within a 365-day period, there will be no grace period to correct such violations and Owner will be required to pay a \$1000.00 penalty plus a continuing \$100.00 per day penalty from the date of receipt of the Penalty Notice (by certified mail, return receipt) until the violations are corrected and Owner's full payment of the penalty, and daily penalties, is received by the Association. In the event the violations are not corrected and all penalties paid within seven (7) days of receipt of the *Penalty Notice for Third or More Violations*, the Association reserves the right to double the daily penalty under such *Notice* until these conditions are satisfied.

Note that Owner must correct any violations and pay penalties under any *Penalty Notices* to the Association within seven (7) days of the Owner's receipt of such *Notice*. In addition to the Association's right to double the appropriate daily penalties in the event these conditions are not met, the Association may deduct such penalties from the Performance Deposit and continue to deduct them until the violations are corrected and all penalties paid, at which time the Performance Deposit will be restored by Owner by an amount equal to the amount of the penalty payment by Owner.

Furthermore, for any violation that is not corrected within seven (7) days of the initial *Notice* for that violation, the Association has the right to contract the required work to be performed and both the cost of the work and the penalty will be charged to Owner and deducted from the Performance Deposit until Owner pays the full amount due to the Association. The Association may also issue a stop work order until the violation is cured.

CATEGORIES OF VIOLATIONS SUBJECT TO THE NOTIFICATION AND PENALTY PROCEDURE SET FORTH ABOVE:

(Categories Check-Marked On Form F Are In Violation)

1. Construction fencing not properly erected and/or not properly maintained.
2. More than the one (1) allotted 16 foot driveway access to building site.
3. Temporary driveway not properly constructed/maintained including culvert, ABC, or other.
4. Overnight or long term parking.
5. Dumpster not on job site or not installed in approved location or not emptied when full.
6. Portable toilet not installed in approved location.
7. Building materials or equipment outside of building envelope/property boundaries.
8. Mud, dirt, dust, oil or concrete on road, adjacent property or common area.
9. Damaged utility or pavement/sidewalk or adjacent property or common area.
10. Trash or debris not removed from lot daily.
11. Electrical or water hookups to construction site not completed when required.
12. Fires on construction site (no fires of any kind are allowed.)
13. Working hours or days violation.
14. Parking that blocks flow of traffic or parking on both sides of street.

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15. Trespassing on adjoining lots or common area.
16. Alcoholic beverages, firearms, drugs.
17. The use of boom boxes/audio equipment (use inside approved as long as it cannot be heard outside.)
18. Uncompleted construction, month 15, if no extension is granted.
19. Uncompleted construction, after month 18, if extension of months 15-18 is granted.
20. Landscaping not completed within 3 months after Certificate of Occupancy is issued.
21. Other_____.

OTHER CATEGORIES OF VIOLATIONS AND ASSOCIATED PENALTIES:

Damage or Change to Association Drainage System:

A penalty of up to \$2,500.00 plus the cost of restoration under direction of licensed civil engineer for damage or change to Association drainage system. If not completed in 30 days after notice to Owner of the violation, there will also be a daily penalty for each day after such 30 days until the violation is corrected and Owner's full payment of the penalty, including daily penalties, is received by the Association.

Damage or Change to Natural Arroyo(s) or Platted Drainage Easement(s):

A penalty of up to \$2,500.00 plus the cost of restoration under direction of licensed civil engineer for damage or change to natural arroyos or platted drainage easements. If not completed in 30 days after notice to Owner of the violation, there will also be a daily penalty for each day after such 30 days until the violation is corrected and Owner's full payment of the penalty, including daily penalties, is received by the Association.

Failure to Obtain Any Required Approval from the ARC Prior To Commencing Work:

A penalty of up to \$5,000.00 for failure to obtain any required approval from ARC prior to commencing any work. The amount of penalty is to be determined by the Board. In addition, the Association may remove any non-approved improvements and recover the cost of such removal in addition to the penalty.

Construction of Non-Conforming Improvements:

A penalty of up to \$5,000.00 for construction of non-conforming improvements. The amount of penalty is to be determined by the Board. In addition, the Association may remove any non-conforming improvements and recover the cost of such removal in addition to the penalty.

Failure to Complete Work Within Required Timeframe:

For new construction, a penalty of \$1,500.00 per month beginning on the first day following the 15-month completion time limit, or in the case of additions and/or alterations and landscaping not related to new construction, a penalty of \$1,500.00 per month beginning on the first day following the 6-month completion time limit. If the ARC approves a 3-month extension as per **PROJECT TIME LIMITS**, then the \$1,500.00 penalty shall begin on the first day following the 3-month extension. Thereafter the penalty shall increase in \$1,000.00 increments on the same date of

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each succeeding month until the project is completed. For example if a project was required to be done under the 15-month requirement on August 5th and no extension was granted, a \$1,500.00 penalty would be due on August 6th. If the project was still not complete on September 6th, an additional \$2,500.00 penalty would be due, followed by a \$3,500.00 penalty on October 6th, and so on, with the monthly penalty continuing to increase by \$1,000 per month until the project is complete. The above penalty formula applies to new construction and additions and/or alterations and landscaping not related to new construction with the only difference being the different completion time limits.

The Form will be signed by a member of the ARC and by a Board representative. All violations that encompass a monetary penalty must be paid within seven (7) days of receipt of the violation notice. Additional provisions are noted above. All penalties must be payable to the Association, and must reference the lot number on the check. An Owner has the right to appeal the violations. Any appeal must be made, in writing, to the Board of Directors and mailed to Thunder Mountain Ranch Property Owners Association, P.O. Box 10535, Sedona, AZ 86339 with a copy to the ARC within seven (7) days of the date of the Notice of the violation.

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ADDITIONAL NOTES

OWNERS ARE ADVISED TO REVIEW THEIR CONTRACT WITH THEIR BUILDER AND TO INCLUDE PROVISIONS WITHIN THE CONTRACT THAT REQUIRE THE BUILDER TO REIMBURSE THEM FOR ANY PENALTIES OR FINES ASSESSED BY THE ASSOCIATION FOR NONCOMPLIANCE WITH THE CC&R'S AND THESE DEVELOPMENT GUIDELINES.

OWNER SHOULD ALLOW 14 WORKING DAYS FOLLOWING THE RECEIPT OF ALL SUBMITTALS FOR APPROVAL TO RECEIVE ANY ARC COMMENTS. TWO COPIES OF ALL SUBMITTALS ARE REQUIRED.

OWNER, PRIOR TO CONSTRUCTION OR INSTALLATION, MUST RECEIVE THE APPROVAL BY THE ARC OF ANY CHANGES OR ADDITIONS TO FINAL WORKING DRAWINGS, SUCH AS CHANGE OF EXTERIOR COLORS OR ROOFING MATERIALS.

AFTER CONSTRUCTION COMPLETION AND COMPLIANCE, THE ARC REQUIRES ONE SET OF ALL "AS BUILT DRAWINGS" FOR THEIR FINAL INSPECTION WHICH WILL BE KEPT ON FILE.

ALL CONTRACTORS AND WORKMEN MUST COMPLY WITH THE CITY OF SEDONA'S DUST, MUD AND NOISE CONTROL REQUIREMENTS IN ADDITION TO THESE GUIDELINES AND THE DECLARATION.

AMENDMENTS, VARIANCES

The Board of Directors may from time to time in its sole discretion amend, repeal, or augment these Development Guidelines as it deems appropriate. It is the responsibility of each Owner and/or builder to obtain and adhere to the stipulations of the most recent copy of these Development Guidelines.

These Development Guidelines are the basis of the architectural review process. They will be administered on a case-by-case basis in order to encourage individuality while at the same time guiding the overall direction. The Board and the ARC retain the right to grant variances from these Development Guidelines as determined appropriate in their sole discretion. Any such variances granted by the ARC or the Board shall not constitute a waiver of the right of the Association to enforce any provision of these Development Guidelines as to any other construction project. The approval by the ARC of any plans, drawings or specifications for any work done or proposed, or for any other matter requiring the approval of the ARC shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification, or matter subsequently submitted for approval. The ARC's interpretations may change as committee members and local customs change, and the ARC may disapprove new applications for items previously approved.

**Thunder Mountain Ranch
ARC Development Guidelines**

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Revision Note

This Guideline document has been reformatted with small corrections, and updated in October 2019.

**Thunder Mountain Ranch
ARC Development Guidelines**

APPENDIX:

Forms List (A)-(H-2):

TMR Approval Review **(Form A)**

Preliminary and Final Approval (combined) **(Form B)**

Regulation Agreement **(Form C)**

Completion/Compliance **(Form D)**

ARC Review Fee and Construction Bond and Performance Deposit Form **(Form E)**

Construction Violations Notice **(Form F)**

Performance Bond **(Form G)**

Form of Performance Bond **(Form G-1)**

Form of Irrevocable Letter of Credit **(Form G-2)**

Additional Performance Deposit **(Form G-3)**

Additional Performance Deposit Agreement **(Form G-4)**

Performance Deposit Forms-General Information **(Form H)**

Performance Deposit Agreement **(Form H-1)**

Notice of Voluntary Lien **(Form H-2)**

Setback Requirement Confirmation **(Form I-1)**