

**Construction Deposit Agreement
Form H**

In compliance with the rules adopted by the Architectural Review Committee (the "ARC") and the Board of Directors of the Thunder Mountain Ranch Property Owner's Association ("TMRPOA"), _____ (the "Owner"), does hereby deposit with the Association for the benefit of the Association the sum of \$10,000.00 for new construction, or in the case of addition/alteration, the sum of \$_____ (hereinafter referred to as the "Deposit") and agrees to the following terms and conditions:

1. The Deposit shall be held as a security against any fines 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 the Owner's Lot.
2. Upon the occurrence of any such fines or damage, the Association from time to time, and without prejudice to any other remedy, may use the Deposit to, among other things, (a) pay assessed fines 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, and/or (c) enforce the Guidelines, the Declaration 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 Deposit shall not be considered a measure of the damage nor release the Owner from paying additional amounts if the total damage exceeds \$10,000.00 or the actual amount of the Deposit, if different.
3. Following the Association's use of all or any portion of the Deposit, the Owner shall immediately pay to the Association an amount sufficient to replenish the Deposit to the sum initially deposited. Failure to replenish the Deposit within seven (7) days following the Association's delivery of written demand shall be deemed a material breach of the Guidelines and the Declaration and shall entitle the Association to lien the Lot in an amount equal to the Deposit deficiency and at its discretion to issue a stop work order for the Owner's construction project.
4. Concurrent with the delivery of the Deposit, the Owner shall execute and deliver to the ARC a Notice of Voluntary Lien in the form attached hereto as Form H-1.
5. None of the ARC, the Board, the Association nor any officer or member thereof shall be liable to the Owner or any other person for any loss, damage or injury arising out of the payment or non-payment of the Deposit funds unless such loss, damage or injury is due to willful misconduct or bad faith of the ARC, the Association, the Board or the respective officers or members thereof, as the case may be.

- 6. Upon completion of the construction of Owner's Lot as per the approved plans and specifications, delivery of the City of Sedona Certificate of Occupancy or Inspection Verification, in the case of addition/alteration, to the ARC and a final inspection by the ARC satisfactorily indicating that no damage remains unremedied and no fines are outstanding and that all construction has been completed pursuant to the approved plans and specifications, including landscaping plans, the Deposit, or any balance thereof, shall be returned to the Owner within 30 days of final inspection by the ARC.

By signature below, the ARC acknowledges receipt of the Deposit in the form of

_____.

Executed on the _____ day of _____, 20_____.

OWNER

OWNER

Address:_____

Thunder Mountain Ranch Architectural Review Committee

By:_____