When recorded return to:

Fennemore Craig, P.C. 3300 North Central Avenue Suite 2600 Phoenix, Arizona 85012-2913 3827342 BK 4238 PG 864
Yavapai County, Arizona
Ana Wayman-Trujillo, Recorder
03/03/2005 02:08P PAGE 1 OF 2
YAVAPAI TITLE AGENCY
RECORDING FEE 5.00
SURCHARGE 8.00
POSTAGE 1.00

FIRST AMENDMENT

To

DECLARATION OF CONDOMINIUM AND FRACTIONAL OWNERSHIP PLAN

OF

THE VILLAS AT SEVEN CANYONS,

a condominium

This First Amendment (the "Amendment") is made and entered into as of the <u>A844day</u> of February, 2005, by Sedona Development Partners, LLC, an Arizona limited liability company ("SDP").

RECITALS

- A. SDP caused that certain Declaration of Condominium and Fractional Ownership Plan for The Villas at Seven Canyons to be recorded in the official records of Yavapai County, Arizona, on February 3, 2005, in Book 4230, at Page 584 (the "Original Declaration").
- B. The Original Declaration names SDP as the "Developer" and Section 20.2 of the Original Declaration authorizes the Developer to amend the Original Declaration for various purposes without the consent or approval of any other person.
- C. SDP, as the Developer, now desires to amend the Original Declaration to reconcile unintended differences with the Articles and Bylaws of the Association and the applicable provisions of Arizona law.

DECLARATIONS

NOW, THEREFORE, SDP exercises the authority reserved to the Developer under Section 20.2 of the Original Declaration and hereby amends the Original Declaration as follows:

- 1. Section 10.4 of the Declaration shall hereafter provide as follows:
- "10.4 <u>Transfer of Control of Association</u>. The Board shall initially consist of the persons appointed by the Developer. At the time of the first annual meeting of the Members, a Board replacing the initial Board shall be selected in accordance with the Bylaws. From and after the first such meeting of the Members of the Association, not less than one of the Directors shall be elected solely by the votes of Members of the Association other than the Developer, pursuant to the special election procedures set forth in the Bylaws of the Association.



"During the Developer Control Period, the Class B Member (as that term is defined in the Bylaws) will be entitled to remove or appoint any Board member in a Board seat filled by the Class B Member. The Developer Control Period shall terminate upon the first of the following to occur (i) 90 days after the Developer has sold 75% of the Fractional Interests in all phases which may be created by the Developer; (ii) 4 years after the Developer ceases to offer Fractional Interests or Units in the Condominium in the ordinary course of business, or (iii) such earlier time as may be specified by written notice from the Developer to the Board."

Defined terms used in this Amendment have the first letter of each word in the term capitalized. Unless otherwise expressly provided, defined terms used herein shall have the meanings given to them in the Original Declaration.

Any reference to the Condominium Declaration shall mean the Original Declaration, as amended by this Amendment, as thereafter amended from time to time,

IN WITNESS WHEREOF, the Developer has executed this Amendment as of the date first appearing above.

Sedona Development Partners, LLC

By: Seven Canyons Investors, LLC, Lead Manager

gement Services, LLC, Manager

ANAN

By: Nam

Title: MEMBER

STATE OF ARIZONA

) ss.

County of Maricopa

The foregoing instrument was going instrument was acknowledged before _, 2005, by David V. Cavan, the Sole this day Member Sole Management Services, LLC, Manager of Seven Canyons Investors, LLC, Lead Manager of Sedona Development Partners, LLC, an Arizona limited liability company, on behalf thereof.

Notary Public

My Seal and Commission Expiration Date:

ANN L. SEVERUD Notary Public - Arizona

MARICOPA COUNTY Ly Commission Expires MARCH 7, 2005

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