

# Handout #3

consideration; between parent and child for no or only nominal consideration; or upon death of an Owner as a distribution to the heirs of the decedent from a trust or estate;

(d) Conveyance of an undivided interest in a Unit by the grantor to any then existing Co-owners of such Unit for no or only nominal consideration; and

(e) A bona fide transfer of a Unit in lieu of or resulting from the foreclosure of a Mortgage encumbering such Unit or upon forfeiture of a purchaser's interest under a Recorded contract for the conveyance of real property under A.R.S. § 33-741, et seq.

7.14.3 All Transfer Fees shall be paid by the Owner at the closing of each applicable conveyance, through escrow; and may be collected by the Declarant, or its successor(s) or assign(s), by any means available at law or in equity.

7.14.4 Declarant is relying upon the terms of this Section 7.14 in agreeing to sell the Units and to dedicate the 264 Open Reserved Parking Stalls for common use. As such, this Section 7.14 may not be amended, modified or repealed without the express written consent of the Declarant and attempt to do otherwise shall be deemed VOID.

## ARTICLE 8

### INSURANCE

#### 8.1 Scope of Coverage.

Unofficial Document

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

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

(b) Broad form comprehensive general liability insurance, for a limit to be determined by the Board, but not less than \$1,000,000 for any single occurrence and Umbrella or Excess Liability Coverage in an amount not less than \$2,000,000. Such insurance