

# **CIRCLE G RANCHES 4 HOMEOWNERS ASSOCIATION CONSTRUCTION SECURITY DEPOSIT RESOLUTION**

## **RECITALS**

WHEREAS, Declarant executed and recorded that certain Declaration of Covenants, Conditions and Restrictions for Circle G Ranches 4, Unit 1 dated November 20, 1978, and recorded at Instrument No. 2004-0403775, in the records of Maricopa County, Arizona (the “Declaration”);

WHEREAS, CIRCLE G RANCHES 4 HOMEOWNERS ASSOCIATION, a non-profit corporation (the “Association”) has jurisdiction over the property described as CIRCLE G RANCHES 4, UNIT 1, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona in Book 205 of Maps, Page 19, CIRCLE G RANCHES 4, UNIT 2, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona in Book 207 of Maps, Page 2, and CIRCLE G RANCHES 4, UNIT 3, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona in Book 288 of Maps, Page 13;

WHEREAS, Article 5, Section 5.4 of the Declaration provides that the Board of Directors may, from time to time adopt rules and regulations which may restrict and govern the use of any area by any owner, invitee, licensee, or lessee;

WHEREAS, A.R.S. § 33-1817(B)(2) requires an association’s documents to permit the Association to require a member to pay a security deposit to secure completion of the member’s construction project;

WHEREAS, the Association will benefit from requiring members to make a construction security deposit prior to construction within the community to ensure completion of construction in accordance with approved plans and to cut down on potential violations of the governing documents by the member or its contractor(s).

WHEREAS, the Board of Directors desires to require members of the Association to make a construction security deposit to the Association in accordance with Arizona law and the Board’s rulemaking authority in the Declaration;

THEREFORE, pursuant to the Governing Documents, authority pursuant to its express rulemaking authority in the Governing Documents and its implied rulemaking authority under Arizona law, the Board of Directors for the Association adopts the following Resolution regarding requirements related construction of new structures and major renovations of existing structures within the community:

## **CONSTRUCTION SECURITY DEPOSIT**

1. Any Owner desiring to construct a new residence or structure, or perform a major renovation effecting the exterior of any residence or structure on the Owner’s Lot within the Association, shall pay a security deposit to the Association prior to the start of any construction or major renovation to the exterior portion of a residence or structure within the Association.

2. The Owner wishing to perform the construction and the Association shall enter into a Construction Deposit Agreement (“Agreement”) prior to the commencement of construction. The Agreement, among other things, shall establish the security deposit required by the Association. The maximum amount of the security deposit required for construction is Ten Thousand Dollars (\$10,000.00) for construction of new residences or structures and the maximum amount of Five Thousand Dollars (\$5,000.00) for renovation to the exterior of an existing residence or structure. The Agreement and the amount of the security deposit may be changed, from time to time, by the Board of Directors.
3. For the purpose of whether an owner shall be required to pay a security deposit for a renovation, the Board of Directors shall determine, in its sole discretion, whether a renovation is major and if payment of a security deposit by the Owner is necessary.
4. The Agreement between the Owner and the Association for the security deposit does not replace the requirement for the Owner to obtain written approval from the Association prior to the commencement of construction.

### **CERTIFICATION**

A majority of the Board of Directors adopted the above Resolution at a meeting duly called and held on the 29<sup>th</sup> day of March 2022.

Circle G Ranches 4 Homeowners Association