

QUAIL RUN CONDOMINIUM ASSOCIATION.
RESOLUTION OF THE BOARD OF DIRECTORS

WHEREAS Quail Run Condominium Association., (“Association”) is governed by a Declaration of Covenants, Conditions and Restrictions recorded at recording number 20220089105, Official Records of Maricopa County, Arizona, and all amendments thereto (“Declaration”).

WHEREAS, Article 7, Section 7.7 of the Declaration provides:

Each Purchaser of a Unit shall pay to the Association, immediately upon becoming the Owner of the Unit, a working capital fee in an amount to be determined by the Board (the "Working Capital Fee"), but not to exceed three (3) times the regular monthly assessment per Unit in effect at the time of purchase. This fee shall ensure that the Association will have adequate funds to establish operating, maintenance, or to meet its expenses or to purchase necessary equipment or services The fee shall be added to the working capital of the Association and shall not be considered as an advance payment of any Assessments levied by the Association under the Declaration. Notwithstanding the foregoing, the following purchasers or transferees shall be exempt from payment of the Working Capital Fee:

(i) the transfer or conveyance of a Unit by devise or intestate succession; (ii) a transfer or conveyance of a Unit to a family trust, family limited partnership or other person for bona fide estate planning purposes; (iii) a transfer or conveyance of a Unit to a corporation, partnership or other entity in which the grantor owns a majority interest, unless the Board determines, in its sole discretion, that a material purpose of the transfer or conveyance was to avoid payment of the reserve fund payment; or (iv) the transfer or conveyance of a Unit as a result of a trustee's sale under a deed of trust; (v) the transfer or conveyance of a Unit as the result of the foreclosure of a realty mortgage or the forfeiture or foreclosure of a purchaser's interest by a deed-in-lieu of foreclosure; (vi) a transfer or conveyance whereby the mortgage is assigned to the Secretary of Housing and Urban Development pursuant to 24 C.F.R. § 203.41; or (vii) the transfer or conveyance of a Unit as a result of the forfeiture or foreclosure of a purchaser's interests under a recorded contract for the conveyance of real property subject to A.R.S. § 33-741 et. seq.

WHEREAS, pursuant to Article 7, Section 7.7 of the Declaration, the Association imposes a working capital fee (“Working Capital Fee”) on all new owners who purchase a Unit from a Person other than the Declarant;

BE IT THEREFORE RESOLVED, the Working Capital Fee pursuant to the provision above shall be a sum equal to three (3) times the regular monthly assessment per unit in effect at the time of purchase, to be deposited into the reserves immediately.

DATED this 3rd day of August 2022.

Quail Run Condominium Association.

Sally L. Lloyd

Signature, for the Board

President

Name/Title