

**CANOA SECA ESTATES, INC.**  
**Board Resolution Re: Capital Improvement Fee**

WHEREAS, Canoa Seca Estates, Inc. (the "Association") is a non-profit corporation, organized under the laws of the State of Arizona.

WHEREAS, the Association and all owners of Lots within the Pima County subdivision known as "Canoa HILLS TOWNHOMES" are subject to the *Fourth Amended and Restated Declaration of Establishment of Conditions, Covenants, and Restrictions for Canoa Seca Estates Lots 1 – 170 and Common Areas A & B*, duly approved and recorded in 2006 (the "Declaration"); and

WHEREAS, A.R.S. Section 10-3302(16) authorizes the Association to, among other things, impose transfer fees on its members.

WHEREAS, A.R.S. Section 33-442(C)(3) authorizes the Association to impose transfer fees based on "Any provision of a document that requires payment of a fee or charge to an association to be used exclusively for the purpose authorized in the document if both of the following apply:

(a) The fee being charged touches and concerns the land.

(b) No portion of the charge or fee is required to be passed through to a third party or declarant designated or identifiable by description in the document or in another document that is referenced in the document unless the third party is authorized in the document to manage real property within the association or was part of an approved development plan."

WHEREAS, Article V, Section 1(K) of the Declaration specifically anticipates and establishes the Association's responsibility for "the establishment and maintenance of such cash reserves as the Association in its sole discretion deems reasonably necessary for the maintenance and repair of the improvements for which it is responsible and for unforeseen contingencies."

NOW, THEREFORE, the Association's Board of Directors hereby adopts, ratifies and establishes a Capital Improvement Fee, to be payable upon the transfer of ownership of any Lot in Canoa Seca Estates, to the Association as a contribution to the Association's reserve accounts, as provided below:

CAPITAL IMPROVEMENT FEE

*In addition to, and separate from, any portion of the Regular Assessment dedicated to reserve accounts for maintenance, repairs and replacement of the improvements which the Association is responsible to maintain and for unforeseen contingencies as provided in the Declaration, a Capital Improvement Fee (the "Fee") is established, payable to the Association and dedicated solely for the Association's reserve accounts for the maintenance, repair and replacement of the improvements which the Association is responsible to maintain and for unforeseen contingencies in accordance with the Declaration.*


*The Fee shall be initially an amount equal to \$1,000.00, but may be changed from time to time by appropriate action of the Board. No portion of the Fee shall be considered as advanced payment of any*

Assessment. The Fee shall be paid to the Association through escrow at the closing of any sale, or otherwise concurrently with any sale or transfer of a Lot without escrow. The Fee may be paid by the buyer and/or the seller in accordance with any agreement or arrangement between buyer and seller. The obligation for payment of the Fee shall not apply to an Owner's refinance of an existing loan obligation secured by the Lot, or any transfer of ownership, as follows:


1. Solely in order to provide or release security for a debt or obligation, including a trustee's deed or deed in lieu pursuant to power of sale under a deed of trust.
2. That confirms or corrects a deed that was previously recorded.
3. Pursuant to a merger of entities.
4. From one or more Owners to themselves, or any one of them individually, as a Trustee, or co-Trustees, in order to transfer the Unit into Trust.
5. From a husband and wife, or one of them, to both husband and wife to create an estate in community property with right of survivorship.
6. From two or more persons to themselves to create an estate in joint tenancy with right of survivorship.
7. Pursuant to a disclaimer deed between spouses or former spouses.
8. Due to an Owner's legal name change.

IN WITNESS WHEREOF, the President and Secretary of CANOA SECA ESTATES, INC., an Arizona non-profit corporation, hereby certify that this Board Resolution was approved at a duly held meeting of the Association's Board of Directors by at least a majority of the Board on \_\_\_\_\_, 2026.

CANOA SECA ESTATES, INC., an Arizona non-profit corporation

By:  Storey 8 Apr 2026  
Ed Storey  
Its: President

ATTEST:

By:  8 April 2026  
Karen Ward  
Its: Secretary