

AGREEMENT TO EXTEND REDUCED ASSESSMENTS AND WORKING CAPITAL CONTRIBUTION PAYMENT

RECITALS

THIS AGREEMENT TO EXTEND REDUCED ASSESSMENTS AND WORKING CAPITAL CONTRIBUTION PAYMENT, dated as of May 3, 2019, 2019 (this “**Agreement**”), is made between POWER RANCH COMMUNITY ASSOCIATION, an Arizona non-profit corporation (“**Association**”) and WOODCREST EAST, LLC, an Arizona limited liability company (“**Woodcrest**”). The Association and Woodcrest are collectively referred to herein as the “**Parties**” and individually may be referred to as a “**Party**.”

WHEREAS, the Association is governed by the Declaration of Covenants, Conditions, Restrictions, Assessments, Charges, Servitudes, Liens, Reservations and Easements for Power Ranch, recorded on October 1, 1999 as Document No. 99-0916566 in the records of the Maricopa County Recorder’s Office, as amended from time to time (the “**Master Declaration**”);

WHEREAS, the Master Declaration encumbers the real property described as Parcels 1 and 2, and comprised of Units 1 through 352, inclusive, on the Plat of Woodcrest Village at Power Ranch Condominium as recorded in Book 951 of Maps, Page 24 in the records of the Maricopa County Recorder’s Office (such real property shall hereinafter be referred to as “**Woodcrest Village**,” with the Units depicted on the Plat collectively referred to herein as the “**Woodcrest Village Units**,” and individually referred to as a “**Unit**”), which real property has not been fully improved or constructed;

WHEREAS, pursuant to the Master Declaration at Section 7.14, each person or entity who purchases property restricted by a Tract Declaration to Single-Family Residential, Cluster Residential or Condominium Use from a Developer shall pay to the Association immediately upon becoming the Owner, a Working Capital contribution in amount established from time to time by the Board, which may be used by the Association for payment of operating expenses or any other purpose permitted under the Declaration. Payments made pursuant to Section 7.14 shall be nonrefundable and shall not be offset or credit against or considered as an advance payment of any Assessments levied by the Association pursuant to the Master Declaration;

WHEREAS, pursuant to the Master Declaration at Section 7.3(c), Owners shall be assessed twenty-five (25%) of the amount equal to the number of Memberships attributable to the Owner’s property, multiplied by the Membership Assessment until the earlier of: (i) the completion of the first Dwelling Unit on the Owner’s property; (ii) six (6) months from the commencement of construction of the first Dwelling Unit on the Owner’s property or (iii) two (2) years from the date the title is first transferred from Declarant to an Owner (the “**Reduced Assessments**”).

WHEREAS, the Master Declaration at Section 7.3(e) provides that the “Reduced Assessments” referred to in Section 7.3(c), upon approval by the Board, may be continued for unimproved portions of Parcels when improvements are to be phased. The portions of the Assessments affected by the phasing shall be determined by the Board.

WHEREAS, pursuant to a Board Resolution dated September 22, 2014 (the “**2014 Woodcrest Resolution**”), the Association’s Board of Directors resolved to extend the period of Reduced Assessments for the Woodcrest Village Units located within Woodcrest Village;

WHEREAS, pursuant to the 2014 Woodcrest Resolution, the Reduced Assessments would apply until a certificate of occupancy was issued for a building at Woodcrest Village, at which time full Assessments would be payable for all affected Units. Upon the then-purchaser’s sale to a third party of a Unit or Units still responsible for Reduced Assessments, full assessments would be triggered on the earliest to occur of the following: (i) the point in time when two years had elapsed from the then-purchaser’s sale of the Unit(s); (ii) a Certificate of Occupancy is issued for a building constructed at Woodcrest Village; or (iii) the point in time when six months has elapsed from the time construction begins on a building located at Woodcrest Village.

WHEREAS, Woodcrest is purchasing a portion of the real property within Woodcrest Village from a Developer, thereby triggering the above-referenced timeline for expiration of the Reduced Assessments. Woodcrest desires to negotiate a payment plan for the Working Capital contributions that will be due upon its purchase of the Woodcrest Village Units depicted on the above-referenced Condominium Plat, and to extend the period of Reduced Assessments for the Woodcrest Village Units it purchases, and the Association is willing to enter into an agreement for the benefit of the Parties;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

AGREEMENT

ARTICLE 1

Working Capital Contributions

Section 1.01 Working Capital Contribution upon Purchase. Upon Woodcrest’s purchase of property within Woodcrest Village, it shall pay to the Association an amount equal to fifty percent (50%) of the total Working Capital Contributions that it is obligated to pay pursuant to Section 7.14 of the Declaration. Specifically, the Working Capital Contribution amount per Woodcrest Village Unit shall be multiplied by the number of Units purchased by Woodcrest, and Woodcrest shall then pay 50% of that total to the Association. The remaining balance of the Working Capital Contributions due from Woodcrest shall be due and payable to the Association when Woodcrest sells a Unit or Units to a third-party purchaser, as described in Section 1.02, below.

Section 1.02 Working Capital Contribution upon Sale. Upon Woodcrest’s sale of any Unit or Units within Woodcrest Village to a third party or parties, Woodcrest shall pay to the Association an amount equal to the remaining fifty percent (50%) of the Working Capital Contribution for the Unit(s) being sold.

Section 1.03 Working Capital Contribution Balance Secured by Lien. The balance of the Working Capital Contributions owed by Woodcrest to the Association (i.e., the remaining 50% of the total due) shall be secured by the Association’s lien upon the Woodcrest Village Units owned by Woodcrest. If the remaining Working Capital Contribution due for any Unit is not paid

by Woodcrest to the Association at the time the Unit is sold to a third-party, the unpaid balance shall be added to and secured by the Association's lien against the remaining Units owned by Woodcrest, such that at the time the last Unit is sold by Woodcrest, all remaining Working Capital Contributions shall be due and payable to the Association in order to satisfy the lien.

Section 1.04 Working Capital Contribution from Subsequent Purchasers. Each person or entity who purchases a Unit from Woodcrest shall pay to the Association immediately upon becoming the Owner of the Unit a Working Capital contribution as set forth in Section 7.14 of the Master Declaration.

ARTICLE 2

Reduced Assessments

Section 2.01 Extension of Reduced Assessment Application. Pursuant to the 2014 Woodcrest Resolution, upon the sale of the Woodcrest Village Units to a third party, full assessments would be triggered on the earliest to occur of the following: (i) the point in time when two years had elapsed from the sale; (ii) a Certificate of Occupancy is issued for a building constructed at Woodcrest Village; or (iii) the point in time when six months had elapsed from the time construction begins on a building located at Woodcrest Village. Pursuant to this Agreement, the aforementioned triggering points for full assessments shall be extended as provided herein. Upon Woodcrest's purchase, Woodcrest shall be responsible for Reduced Assessments for its Woodcrest Village Units at the rate of twenty-five percent (25%) of the full Assessment for each membership attributable to its Woodcrest Village Units until the earliest to occur of the following:

- (i) the point in time when four (4) years has elapsed from Woodcrest's purchase of the Woodcrest Village Units;
- (ii) a Certificate of Occupancy is issued for a building constructed at Woodcrest Village; or
- (iii) the point in time when nine (9) months has elapsed from the time construction begins on a building located at Woodcrest Village.

ARTICLE 3

General

Section 3.01 Waiver. In the event any agreement contained in this Agreement should be breached by any Party and thereafter waived by any other Party, such waiver shall be limited to the particular breach waived and shall not be deemed to waive any other breach hereunder.

Section 3.02 Provision of General Application. Any consent or approval of the Association or Woodcrest required pursuant to this Agreement shall be in writing and shall not be unreasonably withheld.

Section 3.03 Survival. Notwithstanding the termination of this Agreement, all provisions in this Agreement concerning (a) the interpretation of this Agreement, (b) the governing law, and (c) the forum for resolving disputes shall survive and remain in full force and effect.

Section 3.04 Notices. All notices or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by certified mail, return receipt requested, postage prepaid, facsimile, e-mail, or overnight courier, addressed as follows:

If to the Association:

Power Ranch Community Association
Attn: Rich Orduno, Community Manager
4546 E. Haven Crest Drive
Gilbert, AZ 85297
Email: rorduno@ccmcnet.com

If to Woodcrest:

WOODCREST EAST, LLC
1635 N. Greenfield Road, Ste. 115
Mesa, AZ 85205
ATTN: Karl N. Huish
Email: karlhuish@gmail.com

With copies to:

Pew & Lake, PLC
1744 S. Val Vista, Suite 217
Mesa, Arizona 85204
ATTN: Reese L. Anderson
E-mail: reese.anderson@pewandlake.com

Hudd Hassell
4122 E. McLellan #18
Mesa, Arizona 85205
Email: hudd@belaflo.com

The Parties may, by notice hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 3.05 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon Woodcrest and the Association, and shall inure to the benefit of their respective successors and assigns, subject, however, to the limitations contained in Section 3.08 hereof.

Section 3.06 Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 3.07 Third Party Beneficiaries. Nothing in this Agreement shall confer any right upon any person other than Parties hereto.

Section 3.08 Amendments, Changes and Modifications. Except as otherwise provided herein, this Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Association and Woodcrest.

Section 3.09 Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 3.10 Governing Law. This Agreement shall be governed by and construed in accordance with the laws and judicial decisions of the State of Arizona. The Parties hereto expressly acknowledge and agree that any judicial action to interpret or enforce the terms of this Agreement against the Parties hereto shall be brought and maintained in the Superior Court of the State of Arizona in and for the County of Maricopa.

Section 3.11 Captions. The captions and headings in this Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any provisions or sections of this Agreement.

[Signatures of the Parties Appear on the Following Page]

WOODCREST:

WOODCREST EAST, LLC, an Arizona limited liability company

By: **Bela Flor Enterprises, LLC**, an Arizona limited liability company

Its: Sole Member

By: Karl N. Huish
Karl N. Huish

Its: Sole Member

ASSOCIATION:

POWER RANCH COMMUNITY ASSOCIATION, INC., an Arizona nonprofit corporation

By: _____

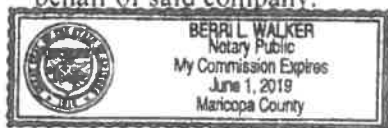
Name: Cory Whelchel

Title: PR Board President

Date: 6/5/19

STATE OF ARIZONA)
) SS.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 3rd day of May 2019, by Karl N. Huish, the Sole Member of Bela Flor Enterprises, LLC, an Arizona limited liability company, the Sole Member of WOODCREST EAST, LLC, an Arizona limited liability company, for and on behalf of said company.



My Commission Expires:

June 1, 2019

Berril L. Walker
Notary Public

STATE OF ARIZONA)
) SS.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this ____ day of _____ 2019, by _____, the _____ of POWER RANCH COMMUNITY ASSOCIATION, INC., an Arizona nonprofit corporation, for and on behalf of said corporation.

Notary Public

My Commission Expires: