

TO:

All Southview Trails Community Homeowners Association Members

FROM:

The Southview Trails Community Homeowners Association Board of Directors

DATE: 11/06/06

RE: Association Rules

Dear Member:

The Board of Directors of the Southview Trails Community Association, Inc. (the "Association") has reviewed and updated the Rules and Regulations to comply with recent legislative changes. These Rule and Regulations will be applied in the management of the Association pursuant to the Association's governing documents.

A copy of these amended and restated Rules and Regulations is enclosed for your careful review. They are divided into three separate sections. The first section deals with specific restrictions regarding your property. The second section deals with the Association's fine categories. The content of these sections has not been modified. The third section, Sanctions and Remedies, contains an updated compliance overview, a one page compliance procedure and the complaint form that is required for all complaints per Arizona statutes.

These new rules will take effect December 1, 2006. Any owners who rent their residence to tenants should be sure that such tenants read and abide by the rules, as the owners will be liable for any violations by their tenants.

In closing, the Board wants to emphasize that these Rules and Regulations are intended as an integral part of our efforts to maintain the beauty and livability of the Southview Trails Development. We urge you to read and comply with them as you and all of your neighbors will benefit therefrom. If you have any questions or comments regarding the rules and regulations, please do not hesitate to contact a Board member. We welcome your input and thank you for your cooperation.

Very truly yours,
Southview Homeowners Association

SOUTHVIEW TRAILS COMMUNITY HOMEOWNERS ASSOCIATION

INTRODUCTION

The Declaration of Covenants, Conditions and Restrictions (the "Declaration"), which is applicable to all of the property administered by the Southview Trails Community Homeowners Association (the "Association") and Arizona law empower the Board of Directors (the "Board") to adopt reasonable rules and regulations aimed at restricting and governing activities in our community and to enforce those rules and regulations.

These rules are not intended to control the lives of the Association members in an unreasonable manner. Rather, they were created to prevent any individual homeowner from creating conditions on his or her lot which could adversely affect the value of other homes in our community or could negatively impact the safety of our neighborhood. In fact, many of the rules set forth herein are merely restatements of limitations contained in the Declaration. Those rules are included here to make it easier for the homeowners by enabling them to look primarily to one document to determine what activities are restricted. Certain restrictions and fine structures applicable to contractors are covered in the Architectural Control Committee's Standards and Procedures.

Part I of this booklet sets forth specific restrictions which are applicable to the use of all of the properties in the Development. These restrictions either arise directly from the Declaration or constitute rules and regulations which the Board of Directors has adopted in furtherance of restrictions contained in the Declaration.

Part II of this booklet sets forth the Association's fine categories and the fines applicable to the violation of the Association's rules and regulations as of the date of the adoption of these rules and regulations.

Part III of this booklet summarizes the sanctions and remedies which the Association may impose against homeowners in the event they violate any of these rules and regulations or any other Association governing documents and sets forth the complaint and violation process followed by the Association. It also sets forth an appeal process to ensure that homeowners are given an opportunity to be heard prior to the imposition of certain sanctions.

You should carefully read this entire booklet and be aware of your rights and obligations as a member of the community.

This document supersedes any prior rules and regulations and becomes part of the Declaration applicable to the properties administered by the Association. In the event of a conflict between a provision hereof and a provision of the Declaration, the provision of the Declaration shall prevail. Nothing contained herein shall be deemed to limit the applicability of the provisions of the Declaration. The Board retains the right to amend these rules and regulations from time to time, as it deems appropriate.

PART I - RULES AND REGULATIONS

The Board has adopted the following rules and regulations effective December 01, 2006:

A. CATEGORY A Rules

1. Holiday Decorations

Holiday decorations are permitted to be installed without approval of the Architectural Control Committee. Such decorations shall be installed no earlier than thirty (30) days prior to the subject holiday and shall be removed no later than twenty (20) days after such holiday. All holiday decorations should be turned off by 11:00 p.m. each evening.

2 – Mailboxes

Mailboxes shall be of the type, color and location as approved by the Architectural Control Committee. Refer to Architectural Standards & Procedures Section I, D7 for design details. Mailboxes shall be in accordance with United States Postal Service regulations.

3 - Lot Maintenance and Diseases and Insects

Each lot owner shall at all times maintain the yard and landscaping thereon and the exterior of the structures thereon in neat and clean condition and repair. Any damage or destruction to the lot or structures thereon, which damage or destruction is visible from any neighboring property, shall be promptly repaired. Driveways shall be maintained in suitable condition for passenger car travel and have dust free, hard surfaces. The Board of Directors may, at the lot owner's expense: (i) require replacement or substitute landscaping for trees or shrubs cut or removed without prior approval and (ii) enter upon any lot and remove any tree infested with IPS beetles and/or other destructive insects or diseases if, within five (5) days after receiving notification from the Association's Management Company, such removal is not accomplished by the owner.

4 – Lawn and Roof Ornaments

No lawn or roof ornaments or other decorative items visible from neighboring properties are permitted without the prior written consent of the Association's Management Company.

B. CATEGORY B Rules

1 - Glass & Glass Treatments

The installation of non-reflective metallic film (designed to reduce sun and heat) on the inside of windows shall be subject to the approval in writing of the Architectural Control Committee and shall not have an obtrusive appearance or reflective glare visible on any neighboring lot or parcel. Reflective glass, reflective foil or aluminum foil is not allowed on windows. Only drapes, blinds or shutters will be allowed.

2 - Exterior Lights

The ordinances of the City of Prescott commonly known as the Outdoor Light Control Regulations (Regulations §§3-12-1 through 3-12-8), as amended from time to time by the City of Prescott, are hereby incorporated in this document as though fully set forth herein. Notwithstanding the foregoing, all exterior light fixtures shall be subject to the approval of the Architectural Control Committee, which shall not approve any lighting that has an obtrusive appearance or casts a glare visible on any other property. Each homeowner must have a mailbox with a light adjacent to the city street which must be approved by the Architectural Control Committee. Those homes on paved driveways are exempt from the lighting requirement.

3 – Solar Energy and Air Conditioners

All plans for external placement of solar energy and air conditioning equipment shall require the approval in writing of the Association's Architectural Control Committee. The Architectural Control Committee shall not approve such plans unless they provide for such equipment to be reasonably blended with other improvements so as not to have an obtrusive appearance from any neighboring properties or from the street. Solar heating and/or solar water heating systems panels or collectors shall be constructed to integrate with the architecture of the structure (i.e. follow the slope of the roof area where they are placed) or be built into the surface to be reasonably flush with the adjacent materials. Tanks and any other auxiliary solar equipment shall be located within the structure or enclosed to screen them from view from adjacent properties or from the street. Notwithstanding the foregoing, such rules will not be enforced by the Association in a manner that will effectively prohibit the use of solar devices.

4 – Signs

No signs, including but not limited to For Sale, For Rent, Information boxes and devices, commercial and other similar signs which are visible from neighboring property shall be erected or maintained on any parcel of property within the Community unless approved in advance by the Board of Directors or the Architectural Control Committee, except:

A) No more than one Real Estate sign (For Sale and For Rent sign) which shall be no larger than 12x18 inches. The background shall be PMS or Pantone 127C or equivalent (Crème color) painted on both sides. Borders shall be PMS 463C or equivalent (Brown). Lettering shall be black. They will be mounted on a black stake no farther than 6 inches off the ground. No information boxes are allowed.

B) During construction, a General Contractor is the only business permitted to have a sign on the property and then only one sign. The Contractor sign shall be no larger than 18x24 inches with a dark colored frame and mounted no higher than 18 inches from the ground. No financial institutions or sub-contractors are allowed to display signs. All signs must be removed at the time of occupancy or close of escrow;

C) On the days any estate sale, community garage sale or open house is held, only such signs as are reasonably necessary to direct purchasers to the location of such sale, with the size of signs not to exceed the limitations set forth in subpart (A) of this rule and provided that they do not block roadways and sidewalks;

D) No political sign may be displayed on the Real Property (Common Area) except that political signs may be displayed on the homeowner's property subject to the following:

a) Political signs may be displayed not more than thirty (30) days prior to any primary or special election and not more than forty-five (45) days prior to any general election. Political signs must be removed within seven (7) days after an election day.

b) The total political sign area cannot exceed the maximum size limit established from time to time by applicable City of Prescott ordinances.

E) Additional signs of allowable subpart (A) size shall be permitted for home address and protective services;

F) All signs which are required to be posted in connection with legal proceedings or directly related to legal liability issues are permitted;

G) Signs displayed in violation of these regulations shall be subject to removal at the direction of the Association and the Association shall have no responsibility for their safe keeping. The Association shall have the right to enter upon the offending owner's property to take such steps as may be necessary to remove or otherwise terminate or abate any violation.

5 - Flag Pole

Installation of a permanent free standing flagpole will be allowed upon the proper application and approval for a site improvement change, or when submitted and approved with the initial structure application, subject to the following limitations: (1) The height of the flagpole must be not more than the lesser of (i) eighteen feet (18') or (ii) the highest point of the residence located or to be located on the lot; (2) The flagpole must not be located closer to any property line than the applicable building setback regulations would allow for a building on the lot, except as to flagpoles to be located on the front yard of a residence which may be placed no closer than fifteen feet (15') from the front property line; and (3) Flagpoles shall have a matte finish of bronze, dark bronze or another earth-tone color with a maximum light reflective value of fifteen (15).

6 - Outside Storage

Personal property other than barbeques, lawn and/or deck furniture may not be stored outside of a residence or garage unless totally screened from view from neighboring properties. Personal property must be stored in a member's residence or garage.

7 - Garbage Pick-up

All garbage and trash must be stored in covered containers in a location not visible from neighboring properties except when placed at the curbside for collection. Garbage containers may not be placed outside before noon on the day prior to the day of pick-up, and containers should be removed by midnight of the day of pick-up. All garbage must be bagged, so it cannot blow about or be scattered by birds or animals.

8 - Obtrusive Materials

Firewood, repair materials, storage sheds, tools, lawn equipment, and other temporary or permanent equipment must be screened or stored completely so as not to be visible from any street or any other lot. No visible television antennas will be allowed. Ham radio towers must be of the electrically or automatically raised type when in use and lowered from view when not in use.

9 - Pets

No animals, including livestock or poultry of any kind, shall be raised, bred or kept on any lot except a reasonable number of dogs, cats, or other generally recognized household pets, provided that they are not kept, bred or maintained for any commercial purposes. Dogs shall be kept within structures or fences or on secured leashes when not on the owner's lot. No animal shall be allowed to make an unreasonable amount of noise or be a nuisance. All pets must be in compliance with local ordinances regarding inoculations, licensing and leashing. The owner of the pet is required to clean up after the pet. This includes both soiling in the pet owner's yard and in any other yards or the street. Upon the written request of any member, the Board shall conclusively determine, in its sole discretion, whether a particular animal is a nuisance or the number of animals on any such property is unreasonable. Any decision rendered by the Board shall be enforceable as other restrictions contained herein.

10 - Parking

The term "Motor Vehicle" as used in these rules and regulations shall include without limitation, automobiles, sport utility vehicles (SUVs), pick-up trucks, vans, trucks, recreational vehicles, buses, motor homes, motorcycles and similar apparatus.

Each homeowner must provide adequate parking for all motor vehicles regularly or permanently parked on the owner's lot. Parking shall be in enclosed garages and paved areas immediately adjacent to the structure (i.e. the garage); however, parking shall be allowed on the paved area immediately adjacent to the structure only if **all of the following conditions are met: (1) the garage is fully utilized for the number of motor vehicles for which it was designed (minimum requirement per CC&R's Section 3.9 is a double garage); (2) no more than 1 additional motor vehicle is parked on the paved area adjacent to the garage; (3) The Board receives a written request and grants approval for additional vehicle(s) above those specified in 1 & 2 above.**

Disabled vehicles and equipment shall be stored in a garage or removed from the property. Each owner shall not park or permit others to park on unpaved portions of the lot. Except for permitted

construction purposes or limited temporary parking (48 hours) for loading or unloading, no vehicle in excess of 6500 pounds gross weight, no commercial vehicle, industrial equipment, recreational vehicle, boat, boat trailer, utility trailer, mounted or unmounted camper, motor home, travel trailer, or similar vehicle may be parked on any lot on paved or unpaved parking areas.

Guests of residents traveling to Southview may park their recreational vehicle in the homeowner's driveway for a period not to exceed one week.

11 – Nuisances

No obnoxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood. No rubbish or debris of any kind shall be placed or permitted to accumulate upon any lot so as to render any such property in the vicinity thereof unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to its occupants. No motor vehicles shall be operated on the property so as to create a loud or annoying noise which is hereby deemed a nuisance. Without limiting the generality of the foregoing provisions, no exterior horns, whistles, bells or other sound devices, except security devices used exclusively for security purposes, shall be located, use or placed on any such property within the Real Property. The Board in its sole discretion shall have the right to determine the existence of any such nuisance. Any decision rendered by the Board shall be enforceable as other restrictions contained herein.

12 - Rental of Home

When an owner decides to rent or lease his or her home, the owner shall notify the proposed lessee, tenant or occupant that the use of the premises is subject to these rules and regulations and to the provisions of the Declaration and shall secure a written agreement to abide by all of the covenants and restrictions contained in the Declaration and these rules and regulations. A copy of such agreement must be filed with the secretary of the Association. Failure to abide by the Declaration or these rules and regulations, shall entitle the Association to initiate appropriate legal action in the name of the Association. **The term of any lease or rental agreement must be for a period of not less than twelve (12) consecutive months.**

CATEGORY C Rules

1 – Repair of Building and Painting

Building and structures on any lot shall at all times be kept in good condition and repair and adequately painted or otherwise finished. No homes and other structures, including fences, may be painted or stained without the prior approval in writing by the Architectural Control Committee or may be repainted or re-stained a color different than the color previously approved by the Architectural Control Committee. The Board encourages members who intend to repaint or re-stain their homes to consult the palette of approved colors that is available from the Architectural Control Committee.

2 - Machinery & Equipment

No machinery or equipment of any kind shall be placed or operated or maintained upon any lot in the Development except such machinery or equipment as is usual or customary in connection with the use or maintenance of a residence, appurtenant structures or other improvements and except that which the Association may require for the construction, operation and maintenance of the Association common properties. Any such permitted machinery or equipment shall be acoustically screened so as not to create an unreasonable or unnecessary noise or vibration audible to neighboring properties.

3 - Auto Maintenance

No repair or maintenance work shall be performed on any Motor Vehicle or other equipment except wholly within an enclosed garage. Motor Vehicles shall not be left standing anywhere on the property in an inoperative condition. All Motor Vehicles other than those stored in the homeowner's garage must have current license tags.

4 - Alteration of Drainages

No lot owner shall alter in any way the drainage areas along the Association roadway, the drainage easements located on the owner's property or the natural drainage to adjacent properties without the prior consent of the Architectural Control Committee.

5 - Garage Sales

Each homeowner may have a maximum of two garage sales each calendar year at their home. Any garage sale permitted by this rule shall be held between the hours of 8:00 a.m. and 4:00 p.m. and shall not be held for more than two consecutive days. Individuals holding any such permitted sale must insure that all sign and parking regulations of the Association and the City of Prescott are followed.

6 - Single Family Residential Use

No lot shall be used except for residential purposes. No building shall be erected, altered, placed, or permitted to remain on any lot other than one single family dwelling which may include patio walls, swimming pool, garages, carports, servants' quarters, guest houses, ramadas, or other similar residential structures. Rental of guest houses and/or servants quarters are not permitted. No business, commercial use, trade, or manufacturing of any nature or description shall be carried on or transacted on any portion of the property without Board approval. Except as required by applicable statute, no part of the property shall be used as a hospital or sanitarium or other place for hire for the care or entertainment of persons suffering from any disease or disability whatsoever. Failure to abide by the Declaration or these rules and regulations, shall entitle the Association to initiate appropriate legal action in the name of the Association.

7 - Compliance with Law

No immoral, improper, offensive, or unlawful use may be made of any property within the Community. Members will comply with and conform to all applicable laws and regulations of the United States and state and local ordinances, rules and regulations. Members will save the Association or other members harmless from fines, penalties, cost, and prosecution for the violation thereof or noncompliance therewith.

8 - Alteration of Lot or Residence

No building, structure, fence or wall shall be erected, placed or altered on any lot within the Community until the construction plans and specifications and a plan showing the location of the structure upon the site have been approved by the Architectural Control Committee. A member shall not alter the topographic conditions of his lot or create visible scarring of the hills and rocks without the prior consent of the Architectural Control Committee. No structure or object on a lot visible from neighboring properties, shall be painted or re-painted a color different than the color approved by the Architectural Control Committee. Roof flashing and other material that reflect light on to neighboring properties are not permitted.

PART II – FINE POLICIES and FINES

Pursuant to Article VIII of the Association's Bylaws, the Board is given the power to impose reasonable fines against a member for a violation of any provision of the Association's governing documents, including without limitation, the Declaration and these rules and regulations. In adopting the above stated rules and regulations, the Board has determined that certain of the rules and regulations are similar in nature and has categorized them as set forth above. At the same time the Board has adopted penalties applicable to the violation of rules and regulations in each of those categories. The Board has concluded that the fines indicated as to each category are reasonable and are reasonably related to the specific violations of the rules and regulations in each category.

CATEGORY A RULES The fine for violations of Category A rules and regulations is \$10.00 per day.

CATEGORY B RULES The fine for violations of Category B rules and regulations is \$25.00 per day.

CATEGORY C RULES The fine for violations of Category C rules and regulations is \$50.00 per day.

The Board has determined that in the event a homeowner violates the same rule within any category within 365 days of a prior violation of the same rule, the fine for the violation of such rule will be double the fine as set forth above as to each day the second violation continues.

PART III – SANCTIONS AND REMEDIES

Each owner and occupant of a home is governed by and must comply with the provisions of these Rules and Regulations, the By-Laws, the Declaration and the Articles of Incorporation of the Association (collectively the "Governing Documents"), and such amendments thereto as may be made from time to time. Upon failure by a member to comply with the Governing Documents the Association's remedies are not limited to the imposition of fines. In addition, the Association may:

1. Entitlement to Relief. The Association may commence legal action to recover sums due for damages, injunctive relief, lien foreclosure or any combination thereof, or any action for any other relief authorized by the Governing Documents or available at law or in equity. In no case may any owner withhold any assessment due and payable to the Association, or take (or omit) other action in violation of the Governing Documents, as a measure to enforce such owner's position, or for any other reason. These rights and remedies do not limit in any way any other rights or remedies granted to the Association in the Governing Documents or by law.

2. Sanctions and Remedies. In addition to any other remedies or sanctions, express or implied, administration or legal, the Association shall have the right, but not the obligation, to implement any one or more of the following actions against owners and occupants who violate (or whose families or guests violate) the provisions of the Governing Documents:

a. Impose a reasonable monetary fine for each day a violation of the Governing Documents continues or on such other basis as the Board determines appropriate.

b. Impose interest charges from the date due of the lesser of fourteen percent (14%) per annum and the highest rate permitted by law on any delinquent monetary fine assessed and any costs (including reasonable attorneys' fees) incurred by or on behalf of the Association in collecting the same (which shall be paid by the lot owner). Fines shall be deemed to be delinquent if not paid within fifteen (15) days after the due date.

c. Impose a penalty (in addition to interest) for delinquent monetary fine payments of Fifteen Dollars (\$15.00) or 10% of the unpaid amount, whichever is higher. A collection fee of Fifteen Dollars (\$15) will also be assessed for the Association's Management Company.

d.. Enter any lot, upon 24 hours' notice, and between the hours of 8:00 a.m. and 5:00 p.m., and remedy any condition which the owner or occupant has caused or allowed to exist in violation of the Governing Documents, and assess the cost thereof against the owner and the lot. Such right of entry shall be limited to any exterior area of a lot subject to the Governing Documents. Any such entry upon a lot pursuant to this section shall not be deemed a trespass.

e. Foreclose any lien arising under the provisions of the Governing Documents or under law, in the manner provided by the Declaration and by applicable law.

3. Right to Hearing. In the case of imposition of any of the remedies authorized by Section 2 of this Part III, the Board will cause to be mailed or delivered to the owner against whom the remedy is sought to be imposed written notice specifying the general nature of the violation, the

remedy to be imposed, the effective date of such imposition and any other information required by the Governing Documents and applicable statutes. This notice must be delivered at least ten (10) days prior to such effective date. The owner will have the right, upon written request delivered to the Board within the foregoing ten (10) day period, to a hearing before the Board. The Board will set the hearing at a reasonable time and place, with reasonable notice to the parties involved, but in no case later than thirty (30) days after the request for a hearing. The Board has established uniform and fair rules for the conduct of such hearings, including, without limitation, the right of interested parties to appear and be heard. If a hearing is requested, the remedy imposed will not take effect until the hearing is completed or the matter is otherwise resolved by mutual agreement of the Board and the persons against whom the remedy is sought, whichever event occurs first. If the person or persons against whom the remedy is sought do not appear at their duly notified hearing, the remedy imposed may be enforced forthwith. The decision of the Board and the rules for the conduct of hearings established by the Board shall be final and binding on all parties. The hearing rights bestowed upon owners by this Section 3 shall be the sole and exclusive remedy of such owners with respect to the matters covered by the Governing Documents, except as may be otherwise specifically authorized by the Governing Documents and applicable law.

4. Costs of Proceedings and Attorney's Fees. The Association is entitled to recover all of its costs, expenses, and reasonable attorneys' fees, if any, in the enforcement of the Governing Documents.

5. Personal Liability, Liens for Charges, Penalties. Etc. Any fines, charges, monetary penalties, interest costs, collection costs, court costs or attorneys' fees imposed or incurred by the Association under these rules will be the personal obligation of the owner. In the event the Association obtains a personal judgment against such owner for any such sums, that judgment may become a lien against the owner's property. Any fines imposed by the Board lien shall attach as of the date set forth in the Notice of Violation, but will not be final as to violations appealed under Section 3 until affirmed in writing by the Board following the hearing.

COMPLAINT/VIOLATION/ENFORCEMENT/APPEAL PROCESSES

The formal policies and procedures currently adopted by the Board for dealing with violations of the Association's governing documents set forth in detail:

- 1 – Filing of Complaints
- 2 - Complaint review and verification
- 3 – Notification and/or fine assessment
- 4 – Fine accrual
- 5 – Association rights
- 6 – Right of appeal

The full text of the policy follows:

A. Any member, Board member or agent of the Association may file a complaint against another member for violation of any provision of the Association's Governing Documents by the member, his family, tenants or guest. A complaint must be in writing (Complaint Form Attachment A), must be signed (unless submitted via e-mail) and dated and must include the following:

1. the first and last name of the person(s) who observed the violation;
2. the provision of the Association's Governing Documents that was violated, if known;
3. a description of the alleged violation and the identity of the alleged violator, if known.

A complaint from a member is considered filed when the written complaint is received by a Board member or the Association's Management Company. A copy or record of all complaints shall be provided to the Association's Management Company and the Board.

B. Upon receipt of a complaint, the Board shall take the following action:

1. Conduct an investigation of the complaint to confirm that the condition(s) complained about exist and do violate the Governing Documents.

2. A member of the Board, or at the direction of the Board, the Association's Management Company shall attempt to contact the member and try to resolve the complaint informally. If the alleged violation is resolved informally within ten (10) business days, a copy of the associated documentation will be provided to the Association's Management Company and no further action will be required.

3. If the complaint is not resolved informally, a written **Courtesy Notice** will be sent from the Association's Management Company to the offending member. The **Courtesy Notice** shall inform the member of the violation and request cure of the violation within ten (10) days of the date of the Notice.

4. If after ten (10) days of the date of the **Courtesy Notice** the owner does not comply, the Association's Management Company will send a **Second Notice** of Non-Compliance which will remind the member that the violation has not been cured and inform the member that unless the violation is cured within ten (10) days after the date of the **Second Notice**, the Association is entitled to assess a fine for the ongoing violation. The **Second Notice** will be sent to the owner by certified mail with a Return Receipt acknowledgement and by regular U.S. mail service. A copy of the **Second Notice** will be kept on file by the Association's Management Company.

C. If after ten (10) days of sending the **Second Notice** the owner does not comply and does not request an opportunity to be heard, at the direction of the Board, the Association's Managing Company will send a **Final Notice** which will impose a fine on the member in regard to the violation. Such fine will continue to accrue on a daily or other periodic basis until the earlier of (i) the date the Association determines that the violation has been cured or (ii) the date the member notifies the Board that the violation has ceased or been cured if the Board later confirms that the

violation has, in fact, ceased or been cured. The Notice will specify (i) the provision of the governing document that has allegedly been violated, (ii) the date the violation was observed, (iii) the fine that will be assessed against the member if the violation is not cleared, (iv) the name of the person(s) who observed the violation, (v) the process the owner must follow to contest the Notice, and shall notify the member of his or her right to be heard. The **Final Notice** will be sent to the owner certified mail with a Return Receipt acknowledgement and by regular U.S. mail service. A copy of the **Final Notice** will be kept on file by the Association's Management Company. The owner will be given ten (10) business days after the notice date to correct the violation, contest the notice pursuant to statute and/or request an opportunity to be heard. The response from the owner must be mailed by certified mail to the address of the Association contained in the **Final Notice**.

Upon receipt of notice from the member that the violation has ceased or been cured, the Board shall conduct a timely follow-up inspection to confirm that the violation has ceased or been cured. If the inspection discloses that the violation has ceased or been cured, the Board shall: stop accrual of the fine as of the date it received the notice; send the member a letter confirming such satisfactory resolution of the complaint; and document in writing for the related lot file how the violation was resolved. If the inspection discloses that the violation has not ceased or been cured, the Board shall send the member a letter notifying the member of the continuing violation and that the fine will continue to accrue.

D. Any fines imposed by the Board upon a member hereunder shall be payable by the member and shall be enforceable by the Association in accordance with the Governing Documents and applicable Arizona law. This Complaint Process and the actions of the officers, directors and agents of the Association in compliance herewith are governed by, and subject to, the terms of the Governing Documents of the Association. In the event of any conflict between the terms hereof and the terms of the Governing Documents of the Association, the terms of the Governing Documents of the Association shall govern. The Board retains the right to amend this policy from time to time as it deems appropriate subject, of course, to the terms of the governing documents of the Association and applicable law.

E. These policies and procedures are intended as a guideline for the Association. The Board retains the right, subject to applicable law and the provisions of the Governing Documents, to vary the complaint/violation/enforcement and appeal process when it, in its sole discretion, determines that any such variance is appropriate.

COMPLIANCE PROCEDURE

1. Notice of Non-compliance filed with HOAMCO or Board.
2. Alleged Non-compliance investigated.
3. A **Courtesy Call** is made to alleged offender indicating the specific non-compliant condition(s) and that a re-inspection will occur in 10 days.
4. **Owner DOES NOT** comply.
Courtesy Notice of Non-compliance.
- 5(A). **Owner DOES NOT** comply and requests to be heard.
Response to request sent within ten (10) business days.
States time, place and location of meeting.
- 5(B). **Owner DOES NOT** comply and **DOES NOT** request to be heard.
Second Notice of Non-compliance ten (10) days from First Notice).
6. **Owner DOES NOT** comply and **DOES NOT** request to be heard.
Final Notice of Non-compliance ten (10) days from Second Notice).
States the information required by the Governing Documents and applicable law and the following:
 - That a fine is imposed and by its terms such fine will continue to accrue until the violation has been cleared, and
 - If the owner does not comply beyond that set forth in No. 5(B) above, the Association may turn the matter over to legal counsel.

SOUTHVIEW TRAILS COMMUNITY ASSOCIATION

COMPLAINT FORM (Attachment A)

Violation observed by:

Name

Address

Phone No.

**Address of the property allegedly
in violation of the Association's
governing documents.**

Date violation observed

**Provision of the Association's
governing documents that
was violated.**

Per Arizona statutes (A.R.S. 33-1242 and A.R.S. 33-1803) any complaint lodged with the Association will NOT remain anonymous. The person complaining of the alleged violation must state their first and last name and this information will be sent to the party who is accused of the violation.

Signature of Observer:

Date:

Send to:

P.O. Box 10000

Prescott, AZ 86304

Phone: 928-776-4479 (ext.29), fax: 928-776-0050

e-mail: debc@hoamco.com

STCA Board President: e-mail: President@Southview-az.org

SOUTHVIEW TRAILS COMMUNITY ASSOCIATION

CALL REPORT

Date: _____

Owner's Name: _____

Mailing Address: _____

Re:
Property Street Address: _____

Property Lot # _____

Courtesy Call:

Description of alleged violation of governing documents:

Synopsis of conversation and agreed upon action:

Name of caller: _____

cc: HOAMCO file
STAC Board