

FOOTHILLS MOUNTAIN RANCH HOMEOWNERS ASSOCIATION CC&R VIOLATION AND ENFORCEMENT POLICY

The Board of Directors for Foothills Mountain Ranch Homeowners Association has established the following Enforcement Policy for Covenants, Conditions and Restrictions (CC&R's) violations enforcement, and any applicable monetary penalties for continuing violations. This Policy will be deemed part of the Association Rules and is subject to amendment or modification at any time by majority vote of the Board. This Enforcement Policy for non-monetary violations is adopted in accordance with Arizona's Planned Communities Act, Arizona Revised Statutes 33-1801 through 33-1807 (Supp. 1997) and the provisions of the CC&R's and Project Documents, as currently in force and effect.

First Notice:

A courtesy notice will be delivered to the Owner of the property outlining the violation. The Owner will be given fourteen (14) days to bring the violation into compliance.

Second Notice:

The Association will issue a second notice if, after not less than fourteen (14) business days from the issuance of the first Notice, the Owner has not corrected or removed (or has chosen not to correct or remove) the violation, or the violation has repeated or returned. The second Notice will inform the Owner that a monetary penalty will be imposed for the violation if the violation is repeated or has not been corrected after fourteen (14) business days from the date of the second Notice.

Third Notice and Assessment of Initial Monetary Penalty:

The Association will assess an Initial Monetary Penalty if the Owner has not corrected or removed (or has chosen not to correct or remove) the violation or the violation has repeated or returned as stated in the time frames in the first and second Notice. All penalty notices may be sent via regular and certified mail. The homeowner will be responsible for a certified fee added to the penalty. The Owner will be advised of their right to appeal their fine to the Board of Directors at the next scheduled meeting and inform the Owner that an increased monetary penalty will be imposed for the violation if the violation is repeated or has not been corrected after fourteen (14) business days.

Fourth Notice and Assessment of Maximum Monetary Penalty:

After the imposition of the Initial Monetary Penalty, an Additional Penalty in accordance with the schedule of monetary penalties may be imposed upon subsequent inspections if the Owner has not corrected or removed (or has chosen not to correct or remove) the violation or the violation is repeated or has returned. Inspections will be conducted to coincide with the terms of the notices.

Fifth Notice and Assessment of Additional Monetary Penalty:

After the imposition of the Maximum Initial Penalty, an Additional Penalty of \$100.00 shall be imposed upon subsequent inspections if the Owner has not corrected or removed (or has chosen not to correct or remove) the violation or the violation is repeated or has returned. Inspections will be conducted to coincide with the terms of the notices.

Continuing Violations:

If the violation continues without resolution after the fourth notice, a monetary penalty of \$100.00 shall be assessed every fourteen (14) business days until the violation is resolved. In addition the Board shall have the right to remedy the violation and/or take legal action, the cost of which will be billed to the homeowner and collected in the same manner as assessments.

Should a period of time of at least thirty (30) days lapse between violation letters of the same offense, the next letter will be a First Notice again.

Exception to Notice Procedure

Violations posing a threat to the health, safety, and welfare of the community as a whole or any one or more other Owners may require immediate action and thus create exceptions to the foregoing notice provisions. Examples of health, safety, and welfare violations include, but are not limited to, the following: accumulation of trash and/or other materials that may attract pests; threat of flood or fire damage to neighboring properties; an escaped pet; or a collapsed structure or tree blocking the road or drivers' lines of vision.

Right of Self-Help

The Association has the right (but not the obligation) to enter the Owner's property and to provide all maintenance and repairs that are necessary to remove the violation per Section 6.1.10 of the association's Bylaws. Entry by the Association and any of its agents is not an actionable trespass. The Association may assess the Owner for the costs of all maintenance and repairs performed by the Association.

Opportunity to be Heard

The Association recognizes each Owner's right to explain the reasons why there is a violation of the CC&R's or the other Project Documents, particularly if the violation results in a monetary penalty. Before any penalty is assessed, an Owner has the opportunity to request a hearing before the Board of Directors. The Owner must provide timely written request for a hearing. If the hearing is scheduled, the Owner is bound by the decision of a majority of the Board.

SCHEDULE OF MONETARY PENALTIES

Violation	Maximum Initial Penalty	Second Monetary Penalty	Continuing Monetary Penalties
Trash Containers / Signs / Holiday Decorations	\$10.00	\$25.00	\$50.00
Recreational Vehicles	\$25.00	\$50.00	\$100.00
Vehicle Repair	\$25.00	\$50.00	\$100.00
Landscape Maintenance	\$25.00	\$50.00	\$100.00
Architectural Guidelines	\$100.00	\$150.00	\$200.00
Items in View	\$25.00	\$50.00	\$100.00
Animals	\$25.00	\$50.00	\$100.00
Basketball Structures	\$25.00	\$50.00	\$100.00
Nuisance	\$25.00	\$50.00	\$100.00
Maintenance/Appearance	\$50.00	\$100.00	\$150.00
Other Penalties	To be Determined by Board	To be Determined by Board	To be Determined by Board