

Turtle Rock III Homeowners Association

RULES & REGULATIONS

March 26, 2014

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1. Architectural Changes: With respect to Article IX of the CC&Rs, owners or their tenants must consult with the ACC and submit written plans before proceeding with any alteration or addition to improvements on their property (as defined in Article I, Section 10 of the CC&Rs).

The purpose of this rule is to clarify owner responsibilities with regard to coordinating with the Architectural Control Committee in order to carry out the purposes set forth in Article IX, Section 1.

2. Assessments: Regular annual assessments (dues) are payable quarterly, and are due in full on the first day of each quarter. The road assessment is payable once a year on June 1st, or such other date as may be determined by the Board. Any payment not received before the first day of the month following the due date will be deemed delinquent, and will incur a late fee of \$15.00. Owners may prepay assessments at any time. See Appendix I — "Collection Policies and Procedures" — for more information.

The purpose of this rule is to clarify the payment requirements for HOA assessments, in accordance with Article V, Section 8 of the CC&Rs, Division XI, Item 1 of the By-Laws, and Section 33-1803A of the Arizona Revised Statutes.

3. Attorneys' Fees and Collection Costs: The Association shall be entitled to recover reasonable attorneys' fees and any other costs incurred in the collection of assessments or other charges resulting from the enforcement of the CC&Rs, By-Laws, and Rules & Regulations. Such fees and costs incurred by the Association shall be due and payable immediately when incurred, upon demand.

The purpose of this rule is to clarify Article XIII, Section 2 of the CC&Rs and Division XI, Item 1 of the By-Laws.

4. Complaints of Non-Compliance: Any resident may submit a complaint of non-compliance against another resident, or against the Association. The complaint must be made in writing, and must include the name, address, and telephone number of the complainant along with the date(s) and description of the act(s) of non-compliance. (A form for this purpose is available at the Vision Community Management website.) Complaints should be mailed to Vision, or can be placed in the HOA dropbox. All complaints will be brought up at the next Board meeting, so they can be properly recorded as part of the permanent record.

The purpose of this rule is to clarify Division XV, Item 1 of the By-Laws.

5. Dogs: All residents are required to monitor the activities of their dogs so they do not create a disturbance to the neighborhood. It is the responsibility of every dog owner to control their pet's barking and to quiet their dog as quickly as possible. In addition, dog owners must ensure that their dogs have been trained or restrained so they do not bark excessively when left alone. In the event of a barking disturbance, residents should first attempt to resolve the problem by contacting the dog's owner. A formal complaint, if deemed necessary, will be handled pursuant to Division XV of the By-Laws.

The purpose of this rule is to clarify Article XII, Sections 2&5 of the CC&Rs

6. Fines: Fines (also called "monetary penalties") for non-compliance with or violation of the CC&Rs, By-Laws, and the Rules & Regulations, will be established from time-to-time by the Board of Directors, and are subject to change at the discretion of the Board. When changed, a notice regarding such fines will be placed on the community bulletin board; absentee owners will be notified via email. The monetary penalties currently in force are stated in Appendix II — "Enforcement Policies and Procedures" — which describes the policies to be implemented by Vision Community Management.

The purpose of this rule is to satisfy the requirements of Division XV, Item 3 of the By-Laws.

7. Holiday Decorations: Holiday decorations may be put up 30 days before a holiday and are to be removed from community residences and yards within 14 days after the holiday.

The purpose of this rule is to establish guidelines for those residents who wish to put up temporary displays and decorations during Halloween, Thanksgiving, Christmas, and similar traditions.

8. Landscaping Requirements: At a minimum, owners or their tenants must maintain the Front Landscape (as defined in the CC&Rs) and visible side yards, as follows: (1) all bare dirt surfaces must be covered by real or artificial grass, or gravel or decorative rock; (2) in these areas, the planting of edible vegetables is prohibited.

The purpose of this rule is to promulgate the minimum requirements for landscaping on the visible portions of all lots.

9. Landscaping Restrictions: In order to facilitate compliance with Article VI, Section 1 of the CC&Rs and Division IX, Item 1B of the By-Laws, owners or their tenants must obtain approval of the Landscaping Committee before planting any type of tree, or planting any other type of vegetation that has the potential for encroaching upon or shedding on any other property or on the common areas.

The purpose of this rule is to forestall the widespread problem of one neighbor's vegetation encroaching upon or shedding on another neighbor's yard, by imposing restrictions on the planting of varieties that are known to be the major causes of these violations.

10. Leasing and Renting: Homeowners remain responsible for all conduct of their tenants. Homeowners must not only provide copies of the CC&Rs, By-Laws, and Rules & Regulations to their tenants, but also ensure that every occupant of their property be familiar with, and comply with, relevant sections of these documents. Homeowners must notify the Board whenever their unit is being rented, using a form provided by the Board.

The purpose of this rule is to emphasize to absentee owners that it is their responsibility to ensure that tenants are fully informed of HOA rules, and encouraged to be conscientious citizens of our community.

11. Meetings of the Board: The Board will meet periodically, as needed and at its discretion, but in any case not less than quarterly. Meeting date, time, location and agenda will be published on the community bulletin board, and on the Vision Community Management website; or a call can be made to Vision at (480) 759-4945 to request the meeting information. Absentee owners will be notified via email. Homeowners are permitted to attend all portions of the meeting except those portions designated as an executive session pursuant to ARS 33-1804. Any agenda items brought by a homeowner must be submitted in writing prior to the meeting to any Board member or placed in the HOA dropbox. The President reserves the right to limit the time allowed for discussion. Also see Appendix III — "Taping and/or Video Recording Open Meetings" — for more information.

The purpose of this rule is to clarify Division V, Item 1 of the By-Laws.

12. Parking: All residents must park in their garages or driveways. Overnight guests may park on the street, but they must display a green parking pass. Any vehicle is subject to towing if it is parked on the street, without a pass, between the hours of midnight and 6:00am. Passes are to be used by guests only, and only for a period of seven days or less. Any other parking situation must be approved by the HOA Board. Misuse of the pass may result in its revocation. After 24-hour notice is posted on the vehicle or on the resident's door, any further parking violation will result in fines and/or towing.

The purpose of this rule is to clarify Article X, Sections 5 & 6 of the CC&Rs.

13. Terminology re "Owner": The term "Owner" — as used in the following sections of the CC&Rs and By-Laws — shall be deemed to apply to all occupants, including tenants:

CC&Rs: Article VI, Sections 1&2 // Article X (all sections) // Article XII, Sections 2/5/8/10

By-Laws: Division IX, Item 1-B(ii) // Division XIV, Item 10 // Division XIV, Item 14-B // Division XVI, Item 4

The purpose of this rule is to clarify those provisions of the CC&Rs and By-Laws that logically apply to all residents.

Turtle Rock III Homeowners Association

Appendix I: Addendum to Rule #2

Dated: March 26, 2014

Collection Policies and Procedures

1. A written reminder is mailed to the property owner on the first day of the month following the due date, informing the owner that the account is delinquent, and that a \$15.00 late fee has been added.
2. A written "collection and intent to lien" demand letter is mailed on the 60th day after the assessment was due. The property owner is given 15 business days from the date of the demand letter to remit payment, or to contact the management company regarding a no-cost payment plan. All fees are the responsibility of the property owner.
3. Accounts that show an assessment balance that is at least 75 days past due may be transferred to the Association's collection agent for commencement of collections, and a "notice of lien" may be recorded. All fees are the responsibility of the property owner. At any time during this process, the property owner may request to enter into a payment plan for all outstanding assessments and fees. The Association will not release its lien until such time as all assessments, late fees, letter fees and collection costs have been paid in full.
4. Further collection action — such as small claims, lawsuits, and foreclosure — may be taken at the discretion of the Board of Directors.

Payments will be applied to an account as follows, pursuant to Arizona Revised Statutes:

1. Past-due assessments
2. Late charges
3. Collection fees (e.g., demand letter / lien / collection agency / court fees)
4. Legal fees & costs
5. Monetary penalties

Payment plans will be accepted under the following conditions:

- Payments made without benefit of a properly executed payment plan will not be construed as a payment plan, and collection activity may be initiated in accordance with this Collection Policy.
- Late fees as provided in the assessment collection policy may not be charged during the term of the payment plan if payments are received in accordance with the plan.
- A minimum payment plan equal to the current assessment installment plus one-twelfth of the past-due account balance will be accepted on a monthly basis.
- A lien may be filed and legal collection proceedings may be implemented upon default of a payment plan with no further notice to the property owner.

Turtle Rock III Homeowners Association

Appendix II: Addendum to Rule #6

Dated: March 26, 2014

Enforcement Policies and Procedures

Turtle Rock III HOA has established the following policies and procedures with regard to violations enforcement and applicable monetary fines for continuing violations. These rules are adopted in accordance with Arizona Revised Statutes 33-1801 through 33-1807, and the provisions of the association's CC&Rs and By-Laws.

First Notice:

A letter will be sent to the Owner of the property outlining the violation. In the event that the Owner of the property is identified as an absentee Owner, a copy of the violation letter will also be sent to the tenant at the property address. The Owner will be given ten (10) days to bring the violation into compliance, except for failures to maintain an Owner's Lot, in which case the Owner will be given thirty (30) days to correct the violation.

Second Notice and Assessment of Initial Monetary Penalty:

The Association will issue a second Notice if the Owner has not complied with the first Notice, or if the violation has returned or has been repeated. The second Notice will inform the Owner that the Initial Monetary Penalty, in the amount of \$25.00, has been imposed. The Owner will also be responsible for any certified letter processing fees.

Third Notice and Assessment of Additional Monetary Penalty:

The Association will assess an Additional Monetary Penalty, in the amount of \$50.00, if the Owner has not corrected or removed the violation as stated in the time frames in the first and second Notice, or if the violation has returned or has been repeated. The Owner will also be responsible for any certified letter processing fees.

Additional Monetary Penalties:

After the imposition of the Initial Monetary Penalty and the Additional Monetary Penalty, another penalty, in the amount of \$100.00 (the Maximum Additional Monetary Penalty), may be imposed upon subsequent inspection, if the Owner has not corrected or removed the violation, or if the violation is repeated or has returned. Inspections will be conducted to coincide with the terms of the notices. The Owner will also be responsible for any certified letter processing fees.

Should a period of time of at least 90 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. 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, particularly if the violation results in an assessment. Before any fine 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.

Turtle Rock III Homeowners Association

Appendix III: Addendum to Rule #11

Dated: March 26, 2014

Taping and/or Video Recording Open Meetings

Any owner intending to tape or video record a meeting must first provide the Association written notice 24 hours prior to the start of the meeting. The Association is not obligated to provide equipment, all recording equipment is the responsibility of the owner.

In order to prevent interruptions, all recording equipment must be in position 15 minutes prior to the start of the meeting, with the equipment in a place designated by the Association. Any recording equipment must not produce sound or distracting light emissions. If any recording equipment fails, the Association will not stop the meeting while the equipment is reset.

Any owner recording a meeting must provide the Association an unabridged copy of the recording within 10 days after the meeting. Any recording shall not be disseminated to persons who are not members of the Association without the written consent of the Board.

No recording of a meeting shall be posted, or otherwise made available on the internet, without the written consent of the Board; and a non-member is prohibited from recording the meeting without prior written request and approval by the Board.

A homeowner is required to sign an acknowledgement form prior to recording a meeting which will acknowledge the following:

- A recording of the meeting is not the official record of the meeting, the approved meeting minutes are the official record of the meeting;
- The Association does not make any representations as to the authenticity of the recording;
- Any recording shall not be disseminated to persons who are not members of the Association without the written consent of the Board; and
- All rules and regulations will be adhered to during the recording of the meeting.

Motion to adopt these rules and regulations was made, seconded, and passed at the August 13, 2011, Board meeting. Effective date for these rules and regulations is October 1, 2011.

These rules, provided by Mulcahy Law Firm, have been adopted as a result of language that was added to A.R.S. 33-1804A by HB2245 of 2011. The added language reads as follows: "Persons attending may tape record or videotape those portions of the meetings of the board of directors and meetings of the members that are open. The board of directors of the association may adopt reasonable rules governing the taping of open portions of the meetings of the board and the membership, but such rules shall not preclude such tape recording or videotaping by those attending."