

THE SANCTUARY AT AVONDALE
HOMEOWNERS ASSOCIATION COMPLIANCE POLICY

EFFECTIVE JUNE 1, 2015

REVISED APRIL 15, 2015

Pursuant to A.R.S. §33-1803 and the Declaration of Covenants, Conditions and Restrictions for The Sanctuary at Avondale ("Declaration"), The Sanctuary at Avondale Homeowners Association ("Association") has adopted the following Compliance Policy to insure that Owners and Residents are complying with the use restrictions set forth in the Declaration. Further, the Compliance Policy sets forth the procedure that the Association and its Management Company will follow in an effort to gain compliance and specifies the action to be taken when a member chooses not to comply with the Declaration or other governing documents. This Compliance Policy will be part of the Association's Rules and may be amended at any time by a majority vote of the Board of Directors.

First Notice

The Association will mail an initial notice of the violation to the Owner of the property outlining the violation and requesting compliance within ten (10) business days. There is no monetary penalty imposed at this time. If the Management Company can identify that the Owner of the property is an offsite owner, the Management Company will mail a copy of the violation to the property address in addition to the Owners' off-site address.

Second Notice and Imposition of Initial Monetary Penalty

The Association will mail a Second Notice if violations set forth in the First Notice still exists or if the violation has been repeated or returned, for not less than ten (10) business days from the date of the First Notice. The Association will also impose an Initial Monetary Penalty of \$20.00, if the violation still exists or is repeated and returned from the date of the First Notice.

Third Notice and Imposition of Second Monetary Penalty

The Association will mail a Third Notice if violations set forth in the Second Notice still exists or the violation has repeated or returned, for not less than ten (10) business days from the date of the Second Notice. The Association will also impose an Initial Monetary Penalty of \$40.00, if the violation still exists or is repeated and returned from the date of the Second Notice.

Fourth Notice and Imposition of Third Monetary Penalty

The Association will mail a Fourth Notice if violations set forth in the Third Notice still exists or the violation has repeated or returned, for not less than ten (10) business days from the date of the Third Notice. The Association will also impose an Initial Monetary Penalty of \$60.00, if the violation still exists or is repeated and returned from the date of the Third Notice.

Fifth Notice and Imposition of Fourth Monetary Penalty

The Association will mail a Fifth Notice if violations set forth in the Fourth Notice still exists or the violation has repeated or returned, for not less than ten (10) business days from the date of the Fourth Notice. The Association will also impose an Initial Monetary Penalty of \$80.00, if the violation still exists or is repeated and returned from the date of the Fourth Notice.

Covenant Enforcement Demand Letter and Legal Action

The Association will forward the Owner's case to the Association's attorney for a Covenant Enforcement Demand Letter and further legal action if violations set forth in the Fifth Notice still exists or the violation has repeated or returned, for not less than ten (10) business days from the date of the Fifth Notice,. Any expenses incurred by the Association, including the attorneys' fees and costs, will be billed back to the Owner.

Certified Mailing Fee

In addition to the monetary penalties being imposed, the Association will impose a \$10.00 certified mailing fee.

Restart of Process

If the same type of violation occurs within 120 days from the date of the First Notice letter, then the Association will proceed with the mailing of the Second Notice and the imposition of a \$20.00 Monetary Penalty.

Right of Self-Help

Pursuant to Article 10, Section 10.3 of the Declaration, the Association has the right (but not the obligation) to enter the Owner's Lot and perform any and all maintenance and repairs that are necessary to correct 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.

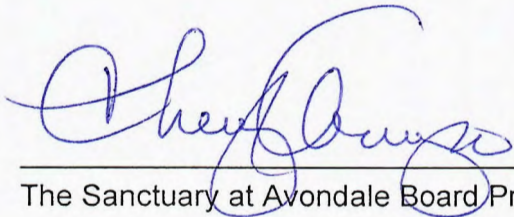
Exception to Notice Procedure

Notwithstanding the above notice procedure, the Association through its Board of Directors reserves the right to file a lawsuit against an Owner for injunctive relief at any time for any violation that the Board of Directors determines in its sole and absolute discretion to constitute a material danger to person or property, poses a threat to the health, safety, and welfare of the community as a whole or any one or more Owners, or requires immediate action for any other substantive reason.

The Board of Directors may take any other action as authorized by its Declaration or the law, in addition to the Compliance Policy outlined above.

Opportunity to be heard: Appeal Process

When an Owner desires to appeal a violation, the Owner must provide the Association's Management Company a written request for a hearing within ten (10) days after the date of the violation notice. Upon receipt of such written request, the Association will schedule and provide the Owner written notice of the date, time and location of his/her appeal hearing. Following the hearing, the Board of Directors shall deliberate on the information provided by the Owner and provide the Owner its written appeal decision. All decisions of the Board of Directors are final.



The Sanctuary at Avondale Board President

4-15-15

Date