

SIERRA VERDE RANCH PROPERTY OWNERS ASSOCIATION

STANDARD OPERATING POLICY & PROCEDURE MANUAL

Revised: 3/16/2024

Table of Contents

Regular Assessments.....	3
Board Member Constraints.....	3
Election Procedures	4
Ballot Tabulation	5
Handling Declaration Violation Complaints	6
Contracted Work.....	7
Mileage Reimbursements for Privately Owned Vehicles.....	7
Easement Violation Enforcement Policy.....	7
Policy:.....	7
30 Day Notice:	7
Second Notice and Assessment of Initial Monetary Penalty:.....	7
Additional Monthly Monetary Penalties:	8
Certified Mailing Fee:	8
Exception to Notice Procedure:.....	8
Right of Self-Help:	8
Opportunity to be Heard:	8
Expenditures Exceeding \$25,000	8
Posting and Maintenance of Street/Road Signs	8
Collection of Delinquent Accounts	9
Late Fee:	9
Assessment Collection Schedule:	9
Foreclosure Collection Procedure:	9
Payment Application and Waiver Requests:	9
Payment plans will be accepted under the following conditions:.....	10
Owner Road Policy	10
Employees/Private Contractors/Vendors at SVR POA and Those Who Are Also Owners at SVR POA.....	11
Use of Association Equipment and Vehicles.....	11
Well Usage Procedure.....	12
Road Maintenance Policy.....	14
Board of Director Participation in Board Functions.....	15

This Policy & Procedure Manual is adopted by the Sierra Verde Ranch Property Owner's Association ("POA") Board of Directors and supersedes and replaces all prior versions of the same in their entirety. In the event of a conflict between the Declaration of Covenants, Conditions and Restrictions ("Declaration" or "CC&R's") and this Policy & Procedure Manual, the Declaration shall control. In the event of a conflict between the Bylaws and this Policy & Procedure Manual, the Bylaws shall control.

Regular Assessments

Approved by Board: June 2005, Revised: May 2024

Policy: It is the policy of the Sierra Verde POA Board of Directors to maintain and repair the roads and the wells within the limits of money available through regular assessments in accordance with the Declaration and Bylaws. Any additional repairs may need to be funded through special assessments- Any improvements may need to be funded through special assessments, or the reserves.

Priority for expenditure of regular assessments is as follows:

- 1) Repairs to restore roads and wells to their original condition or improvements, which are in the best interest of the Association.
- 2) Maintenance of roads and wells including Grading of roads.
- 3) Other road and well improvements, the annual budget will include a reserve contribution. Moneys from regular assessments, which are left over from the previous fiscal year, will be added to this reserve annually as the board sees fit. Road or well improvements which have been approved by the board will be held in queue until such time as the reserve has sufficient savings to fund one or more of the projects held in queue.

Board Member Constraints

Approved by Board: July 2005, Revised: May 2024

Policy: All Board members are constrained from individual contact with entities under contract with the POA ("Vendor") without explicit Board consent/approval. Board members shall refrain from any communications with a Vendor that may be perceived as direction to a Vendor without express Board approval or the approval of a Standing or ad hoc committee executing its function.

Express Board consent/approval shall mean a majority of all Board members have approved the or action.

Contact and communicating with a Vendor may also be authorized by a Standing Committee or an ad hoc committee executing its function, so long as the direction is within the bounds of the Committee's chartered function.

Standard Operating Procedures involving an individual Board member may implicitly provide Board consent/approval; e.g., the Treasurer's interactions with the accountant or property manager to pay bills inherently, authorize the Treasurer to individually direct disbursement of funds.

Individual Board members shall not adopt, establish, or create any Rule, Regulation, Policy, or Procedure without Board approval.

Board members who fail to follow POA Rules, Regulations, Policies, and Procedures may be subject to removal as provided in Section 6.5 of the Bylaws and A.R.S. § 33-1813.

Election Procedures

Approved by Board: March 2007, Revised: May 2024

Purpose: To provide a uniform, consistent methodology of conducting Board Member elections which conform to Arizona law and the Association governing documents as set forth in Section 3J of the Declaration and defined in the Covenants, Conditions and Restrictions Sections 3J and applicable provisions in the Bylaws, including Articles 4, 5 and 6.

Policy: The method the Board will use to conduct Board Members Elections is as follows:

- 1) The Board will nominate an Election Committee Chairman to perform duties at the annual meeting and election.
- 2) The management company shall prepare a slate of candidates to fill vacancies created by the expiring terms of existing directors.
- 3) The management company shall prepare a Biography Request letter and submit it for Board approval at the September or November Board meeting for mailing no later than January 1st. The management company will handle collection of biographies online, via email, or by mail to their office.
- 4) Deadline for receiving Biographies, will be set as the Friday before the March Board meeting.
- 5) All Biographies will be submitted to the Secretary, or designee, upon receipt for verification that the owner is in good standing with the POA. The Secretary, or designee, will hold all biographies until the March Board meeting. The Secretary, or designee, will contact any owner found to be ineligible within two (2) business days and the owner will be given five (5) business days to re-solve the issue and re-establish eligibility.
- 6) The board will oversee management's preparation of the Election mailing materials:
 - a) Election Cover letter
 - b) Ballot
 - c) Slate of Biographies
 - d) Annual Meeting Notice
- 7) The contents of the election cover letter need to be outlined at the March meeting as well as any other non-election information that is going to be included in the mailing.
- 8) The Secretary, or designee, will turn over all Owner Biographies to the management company upon completion of eligibility determination.
- 9) The management company will compose the slate of candidates comprised of all valid candidate applications received by the deadline for submittal after eligibility determination of same; all contents will then be presented to all board members at the March meeting for review and approval.
- 10) The Election mailing materials will then be printed and mailed in conformance with the guidelines in Arizona law, the Bylaws and Declaration.
- 11) The deadline for ballot receipts will be set as the Friday, two weeks prior to the annual meeting day in May.
- 12) Ballot counting day will be set each year by the Election Committee Chairman and approved by the Board of Directors no later than the March meeting. The date will be set as no less than seven (7) days prior to the annual meeting date to allow adequate time to notify the newly elected board members for attendance at the Annual Meeting.
- 13) No later than the March meeting, the Board of Directors will appoint a designee to collect all ballots from the postal box if needed. The designee cannot be a candidate in the current election. The designee will collect ballots from the postal box no later than 5:00 pm of the ballot receipt date; all ballots will be held unopened until the morning of the ballot counting date. If no designee is selected, the President or Vice President will contact the U.S. Post Office to arrange for all mail to be held from April 15 – to the designated ballot receipt day. If there is a charge for this service, it will need to be approved by the Board of Directors no later than the March meeting if this arrangement is selected.

- 14) Following the ballot tabulation all records of the election, including sign in sheets, ballots and envelopes will be boxed and retained at the management office for no less than 12 months after the election. Within three days of receiving the results summary, the Secretary will certify the results of the election and forward them to each Board Member. The Secretary will contact each candidate and issue notification letters to each candidate indicating the results of the election. The Secretary will post the results of the election on the official POA website.

Ballot Tabulation

Approved by Board: March 2007, Revised: May 2024

Purpose: To provide a uniform, consistent methodology of tabulating election results that conform to the association governing documents including Sections 3G and 3J of the Declaration and Articles 3, 4, 5, 6 and 9 of the Bylaws, Covenants, Conditions and Restrictions Section 3G & 3J and Bylaws Articles 3, 4, and 9

Policy: The method the Board may delegate ballot tabulation to management, or will tabulate election results is as follows:

- 1) Procure the Library Annex in advance for the tabulation event to be held on the date selected by the Board of Directors.
- 2) Enlist disinterested volunteers to fill each procedural and tally position.
- 3) Retain two current copies of the owner database which shows the following information – one sorted by Owner Name, and one sorted by SVR Lot Number:
- 4) Current Owner, Acreage Owned (round to the nearest whole acre), SVR Lot number, and Assessment Fee Status (assessment fees must be paid current for vote to be counted)
- 5) On the day of the event, provide blank paper and pencils for all volunteers.
- 6) Voting irregularities (such as dissimilar acreage to vote count, percentage application, x-marks in lieu of numerical value, etc.) will be discussed and acted on as needed by a consensus of the tabulation group.
- 7) Each volunteer will take one of the following positions and perform the necessary tasks:
 - a) Opener and Reader of the Ballot, noting any irregularities.
 - b) Verifier of Pertinent Information and creator of candidate tally, specifically: (will need the two copies of the database as noted above):
 - i. Owner Name
 - ii. Member in Good Standing (Fees current and no violations)
 - iii. SVR Lot Number
 - iv. Acreage

Counter of tally for Group One Candidates, being

Candidate A

Candidate B

Candidate C

Counter of tally for Group Two Candidates, being

Candidate D

Candidate E

Candidate F

Candidate G

Counter of tally for Group Three Candidates, being

Candidate H

Candidate I

Candidate J

Candidate K

Counter of tally for any Ballot Propositions Final number strings are to be totaled at least three times for accuracy.

Create a Summary Document of Candidates by vote tally and forward to the POA Secretary for certification and posting of election results.

Any assessment payments, owner information changes, road reports, or notes included with the ballots are to be gathered and forwarded to the appropriate board member for follow up.

All ballots and tabulation records are to be boxed and submitted to the Secretary for record keeping.

Clean up the Library Annex and lock up.

Hold a post tabulation dinner for all volunteers, expense to be authorized by the Board of Directors.

Handling Declaration Violation Complaints

Approved by Board: July 2007, Revised: May 2024

Per A.R.S. § 33-1803:

C. A member who receives a written notice that the condition of the property owned by the member is in violation of the community documents without regard to whether a monetary penalty is imposed by the notice may provide the association with a written response by sending the response by certified mail within twenty-one calendar days after the date of the notice. The response shall be sent to the address identified in the notice.

D. Within ten business days after receipt of the certified mail containing the response from the member, the association shall respond to the member with a written explanation regarding the notice that shall provide at least the following information unless previously provided in the notice of violation:

1. The provision of the community documents that has allegedly been violated.
2. The date of the violation or the date the violation was observed.
3. The first and last name of the person or persons who observed the violation.
4. The process the members must follow to contest the notice.

E. Unless the information required in subsection D, paragraph 4 of this section is provided in the notice of violation, the association shall not proceed with any action to enforce the community documents, including the collection of attorney

fees, before or during the time prescribed by subsection D of this section regarding the exchange of information between the association and the member and shall give the member written notice of the member's option to petition for an administrative hearing on the matter in the state real estate department pursuant to section 32-2199.01. At any time before or after completion of the exchange of information pursuant to this section, the member may petition for a hearing pursuant to section 32-2199.01 if the dispute is within the jurisdiction of the state real estate department as prescribed in section 32-2199.01.

Contracted Work

Approved by Board: July 2007, Revised: May 2024

Policy: All contracted work exceeding \$750.00 shall employ licensed contractors only. ARS 32-1121.

Mileage Reimbursements for Privately Owned Vehicles

Approved by Board: September 2009, Revised: May 2024

Policy: Current federal mileage reimbursement rates will be utilized for reimbursement of personal vehicle expenses on paved roads, twice that rate for travel on dirt roads in the conduct of official POA business.

Procedure: Any board member, in the performance of POA business, will be reimbursed mileage based on the above Policy. Mileage is based on round trip mileage from the board members SVR parcel for well, road or declaration violations.

Easement Violation Enforcement Policy

Approved by Board: May 2024

Policy: Sierra Verde Ranch Property Owners Association has established the following Easement Violation Enforcement Policy for Covenants, Conditions and Restrictions (CC&R's) violations enforcement of Article 5. Section F., and/or violations of the Map of Survey roadway easement requirements, and any applicable monetary penalties for continuing violations. This Policy will be deemed part of the Association SOPs and is subject to amendment or modification at any time by majority vote of the Board. This Easement Violation Enforcement Policy for non-monetary violations is adopted in accordance with Arizona Law and the provisions of the CC&R's and Project Documents, as currently in force and effect.

30 Day Notice: A first notice will be sent to the owner of the property outlining the nature of the easement violation. The owner will be given thirty (30) calendar days to bring the violation into compliance. If the corrective action will take longer than thirty (30) calendar days to complete, the owner must provide the association (through its management company) with a written plan and timeline to remedy the violation within thirty (30) calendar days of the date of the 30-day notice. This letter shall also state that the owner may petition the Department of Real Estate pursuant to ARS 32-2199.01.

Second Notice and Assessment of Initial Monetary Penalty: A second notice will be sent if the owner has not complied with the terms of the 30-day notice. The second notice will inform the owner that a fee has been assessed in the amount of one-thousand five-hundred fifteen (1,515) dollars, which is comprised of an initial monetary penalty of one-thousand five hundred (1,500) dollars plus a certified mailing fee of fifteen (15) dollars.

Additional Monthly Monetary Penalties: After the imposition of the initial monetary penalty, continuing monthly monetary penalties, in the amount of two thousand (2,000) dollars, may be assessed upon subsequent inspections if the owner has not corrected or removed the violation. Inspections will be conducted to coincide with the terms of the notices.

Certified Mailing Fee: In addition to the monetary penalties there will be a fifteen (15) dollar certified mailing fee assessed per penalty notice.

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 of the CC&R's or the other Project Documents, particularly if the violation results in an assessment. Before any fee 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, and attended, the owner is bound by the decision of a majority of the Board.

Expenditures Exceeding \$25,000

Approved by Board: July 2007, Revised: May 2024

Policy: All expenditures that can be expected to or will exceed \$25,000 shall be subject to a three-bid requirement. Any companies/corporations declining to bid shall be counted as a qualifying bid for this policy.

Posting and Maintenance of Street/Road Signs

Approved by Board: August 2008, Revised: May 2024

Policy: As we continue to grow property owners petition the Yavapai County Development Services Department (YCDSD) to have roads legally named and recorded. Once the process is completed and the request is granted by the county the property owners are required by the county to post street/road signs. The YCDSD have requirements as to the design of the signs and the location for their posting.

The SVRPOA, CC&Rs (3.A) assigns and limits the responsibility of the association and its board of directors. Street/Road signs posting, and maintenance is not included. The property owners have the responsibility for the posting and maintenance of the street/road signs. The SVRPOA Board of Directors encourages the effort to purchase, create, install, and maintain street/road signs to be shared among the neighbors, and not by any single property owner.

Collection of Delinquent Accounts

Approved by Board: May 2021, Incorporated into the SOPs May 2024

RESOLVED, that the following ASSESSMENT COLLECTION POLICY shall be adopted effective immediately as of May 15, 2021:

Late Fee: A late fee equal to the greater of \$15.00 or 10% of the unpaid assessment amount may be charged to any account that shows an assessment not paid within thirty (30) days of the due date.

Assessment Collection Schedule:

1. Written late notice is sent to the property owner on or after the 30th day of the first unpaid assessment informing them that the account is delinquent and that a late fee has been applied. All letter fees are the responsibility of the property owner(s).
2. Written collection and intent to lien letter sent to the property owner on or after the 60th day of the first unpaid assessment informing them that the account is delinquent, that a late fee was applied, and the account may be referred to the Association's collection agent for further action which may include a notice of lien being recorded against the property. All letter fees are the responsibility of the property owner(s).
3. Any account with an unpaid balance of assessments and other charges of at least 120 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 and costs incurred are the responsibility of the property owner(s). At any time during this process the homeowner may request to enter a payment plan for all outstanding assessments and fees. The Association may not release its lien until such time as all assessments, late fees, related collection costs and legal fees have been paid in full.
4. Any account with a balance of assessments and other charges of at least \$500.00 or 365 days past-due may be referred for a small claims suit or to the Association's attorney for further collection activity including, but not limited to, civil suit and/or foreclosure. All collection costs, legal fees, court costs, and any other charges incurred by the Association are the responsibility of the property owner(s).

Foreclosure Collection Procedure:

- At the discretion of the Board of Directors, any account with a balance owed after foreclosure by a first mortgage holder may be referred to an outside collection agency, to small claims court or to the Association's attorney to obtain a personal judgment against the owner(s) of the lot whose responsibility it was to bring the account current at the time of foreclosure.

Payment Application and Waiver Requests:

Unless otherwise directed by the property owner or in accordance with a written stipulated agreement and/or judgment, payments will be applied to an account as follows (pursuant to Arizona Revised Statutes):

1. Past due assessments
2. Late Charges
3. Collection Fees (Demand Letter/Lien/Collection Agency/Skip Trace/Court Fees)
4. Legal Fees/Costs
5. Monetary Penalties/Certified Mail Fees

Any payment returned due to insufficient funds, stop payment, closed account, etc. will result in a service fee based on the current rate charged by the Association's bank at the time the payment is returned.

The Board of Directors may decide not to consider a waiver request for lien fees, collection costs, or attorney fees incurred on an account where the assessment was not paid in accordance with the Assessment Collection Policy through no fault of the Association or its agent.

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 the Assessment Collection Policy.

Late fees as provided in the Assessment Collection Policy will 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 current account balance will be accepted on a monthly basis. All other payment plans are subject to approval by the Board of Directors.

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.

Owner Road Policy

Approved by Board June 2007, Revised: May 2024

Introduction: A requirement for a road maintenance policy regarding the development of private roads within Sierra Verde Ranch (hereinafter "SVR") was identified because of the number of lot subdivisions and the subsequent potential increase in full time residents at the ranch. A private road for the purpose of this statement is defined as: any road not on the original SVR section plat maps on file with Yavapai County at the time the section was originally incorporated into the main SVR subdivision and thus not recognized by the Sierra Verde Ranch Property Owners Association (hereinafter "SVRPOA") as part of the original ranch road structure, any private road that has not been officially adopted and accepted for maintenance by a vote of the SVRPOA Board of Directors, or any public road.

Policy: Any road that is owned by SVRPOA as of the date the original section plat map was filed with Yavapai County shall be maintained by the SVRPOA as required by the CC&R's and Bylaws and as approved by the Board and/or the road committee, if such committee is established by the Board of Directors.

Any road not explicitly accepted by the SVRPOA as a ranch road shall be considered a private road and shall not be maintained in any manner by the SVRPOA. Any private road built /created shall be maintained by the property owner and is the property owner's full and complete responsibility.

Any SVR owner-created access easements (e.g.; owner division of the original parcel below the original 36 or more-acre parcel) will not automatically become the responsibility of the SVRPOA for the "maintain and improve" clause in the CC&R. No "private" easements other than those turned over by the Developer (in accordance with the CC&R's) will be maintained by the SVRPOA. Public easements are chosen for maintenance at the discretion of the Board and in accordance with County regulations. Any new, Owner created access roads are the responsibility of the Owner who created the road. However, an Owner may petition the Board to accept their new, additional road to be maintained and improved pursuant to the CC&R's, and any such adoption shall be in the best interest of SVRPOA. Approval of such road, and determination of the SVRPOA's best interest, is in the sole discretion of SVRPOA and adoption of such road can be denied by SVRPOA for any reason whatsoever.

Any private road emanating from, crossing, or otherwise encroaching upon, a SVRPOA ranch road shall not in any way interfere with the drainage, access to, or passage on the ranch road as a direct or indirect consequence of the creation and/or maintenance of that road.

Any fences, signposts, property markers (other than official surveyor's pins) that encroach upon the road easement and may be detrimental to road maintenance or usage will be subject to removal.

Employees/Private Contractors/Vendors at SVR POA and Those Who Are Also Owners at SVR POA

Approved By Board: May 2012, Revised: May 2024

Policy: SVR POA will need, from time to time, to hire employees and/or contractors (independent or not) to fulfill the function(s) of maintaining Sierra Verde Ranch (SVR) and its Property Owner's Association (SVR POA).

These persons that are hired or contracted may or may not be owners of SVR or members of SVR POA. All potential SVR/SVR POA employees or contractors:

- 1) Will have the requirement to consent to a full background check (which may include drug testing) prior to any offer of employment or contract is given to said persons.
- 2) Must complete a Federal W-9 Form, providing their federal employer identification number (EIN) or their social security number. Blank W-9 Forms can be obtained online at <http://www.irs.gov/pub/irspaf/f29.pdf>
- 3) Will supply copies of valid Driver's Licenses, contractor's certifications and licenses and copies of proof of current automobile and business insurances, as applicable.

In addition, those who are owners at SVR and/or SVR POA members have an additional requirement to be and remain current in all SVR POA dues, late fees and/or other fees prior to an agreement for employment/contract is made as well as during the term of any employment/contract with SVR POA.

SVR property owners or SVR POA members who wish to be considered for employment/contract with SVR POA will sign an agreement stating that they understand and agree to the policy to be current on SVR POA dues as a term of employment/contract agreement.

Any SVR property owner or SVR POA member who is not current in any monies owed to the SVR POA in any form is not eligible to be considered for employment/contracts with the SVR POA.

Any SVR property owner or SVR POA member who becomes delinquent during the time of employment/contract with the SVR POA will receive no less than two (2) weeks 'notice of termination of employment/contract and breach of agreement. This notice will be delivered via email (if available) and in writing to the last known mailing address.

Use of Association Equipment and Vehicles

Approved By Board: 12 October 2012, Revised: May 2024.

All equipment and vehicles of the Sierra Verde Ranch Property Owners Association are provided for employees and/or volunteers to be used for Association business only. The use of Association equipment and vehicles is restricted to employees and volunteers of the Association only. Others such as spouses, children, other relatives, or friends are not

authorized to drive Association equipment or vehicles at any time. Also, only Association employees or volunteers are allowed as passengers in Association equipment or vehicles, barring life threatening, lifesaving “or other” emergencies.

Employees and volunteers operating Association vehicles are required to have a valid Arizona driver’s license, observe all applicable driving regulations at all times. All driving citations received and all accidents/incidents/arrests occurring while an Association vehicle is being driven are to be reported to the management company immediately.

The Association will consider any unauthorized use of vehicles or equipment as the equivalent of theft and the driver and any authorizing volunteer will be subject to disciplinary action up to and including termination, or in the case of a volunteer, removal from all Board assignments.

Employees and volunteers driving Association equipment and vehicles may be observed on a random basis, after received complaints, and after an accident or incident. If negative results are found, the driver will be subject to disciplinary action up to and including termination of employment, or in the case of a volunteer, removal from all Board assignments.

Well Usage Procedure

Approved by Board: January 2019, Revised: May 2024

Philosophy: The SVR CC&R’s are the guideline in which our Property Owners Association (POA) board protects the rights and assets of all property owners of the SVRPOA. It is the duty of a board to follow the CC&R’s to the best of their ability and create a Standard Operating Procedure (SOP) to follow so that the whole POA, resident and non-resident alike are protected. An SOP for well usage is necessary to protect the wells from overuse and/or abuse by any property owner. Violation of these procedures hurts all owners and can become very costly to the POA. When infractions to these rules are brought to the boards’ attention, they have an obligation to the entire POA to address the issue and to impose penalties, fines and/or liens in an effort stop further infractions.

Purpose:

- 1) Ensure well use is only for private property owners, no commercial/business use allowed.
- 2) Ensure maximum of 4000 gallons per month per owner from any of the SVR wells.
- 3) Ensure SVR well water to be used for domestic use only, not for gardens, landscaping, or hobby farming/ranching.
- 4) Ensure POA well assets are not overused or abused by any owner.
- 5) Ensure Owner in good standing with POA with regards to annual assessments and accounts being current.
- 6) Ensure compliance of CC&R’s with regards to well use.

Policy:

- 1) Provide written Rules and Regulations for use, to be signed by & given to owner/user.
- 2) Provide written information (White Sheet) regarding wells and impact of use, to be signed by and given to owner/user.
- 3) Establish a security system for locking and protecting SVR wells so that only SVR owners can access and use the community wells.
- 4) Establish a “Log in” system for the Owner to document use and the board &/or well committee to be able to monitor.
- 5) Establish procedure for Well Committee to follow for all well usage.

Procedure:

- 1) Through the Well committee, the following use procedure will be used:
 - a) Via the POA website, Owner will request access to the well. If website/internet is not an option, owner will call management company directly to arrange access.
 - b) The Management Company will confirm that Owner is in good standing. If not, the management company will contact the owner to discuss & rectify if possible.
 - c) If the owner is in good standing, the management company will request proof of the owners generator and water hauling system (i.e.; truck, trailer, totes) to be used by the owner.
 - d) The management company will furnish the potential well user with the “Rules and Regulations” & “The White paper”. The owner will sign documents and return them to the management company. A digital copy will be kept in the owners file.
 - e) Upon approval of generator, water hauling system, agreement and signature of documents, Management Company will give access code to the owner.
 - f) Each year the Management Company will verify the owner is in good standing, if so, no further action needed. However, if the owner is found to no longer be in good standing, the Management Company will contact the owner (if applicable) and notify them that they have 30 days to correct the issue or lose access until corrected.
 - g) Access to the wells is via Bluetooth technology. If an owner provides proof that they cannot comply with this part of the access system, the management company can provide a temporary keypad access code until the owner can comply. This alternative access is for a maximum of 1 year and for added security and protection to the wells, this code will be changed every 30 days.
- 2) Violations of use by Owner
 - a) If the board or well committee finds that an owner is not following the rules and regulations, abusing the use of the POA well or causing damage to the well, the board gives the Well VP or committee the authority to immediately address the situation as follows:
 - i. Notify the owner/user in writing of the violation and:
 - a. If it's minor or 1st violation of use, with no financial loss to POA, the committee will send notice to remind owner/user of rules & regulations and assume cooperation with no further action required.
 - b. If major or repeat violation, with no financial loss to POA, committee will send notice to owner/user, giving them notice that they have 30 days to resolve situation or have use privileges suspended and/or possibly fines imposed.
 - c. If major or repeat violation, with financial or possible financial cost to POA, committee will send notice to owner/user letting them know that their access privileges were suspended and due to nature of violation, they are being fined for the violation and/or charged the cost to repair any damages caused by the violation. They will be given 30 days to appeal the decision. Fines for violation of these Rules and Regulations or any other unauthorized use of the wells shall result in a fine of \$100.00 for each incident and charged to the owner. Non-payment of this fine shall cause the owner to “not be in good standing” and until paid in full, well use privileges will be suspended. If it is determined that an owner has knowingly damaged the well, by not following the above rules or by willful negligence, the cost of repairs to the well shall be assessed to the Owner. Non-payment of this assessment shall be a lien against the Owner.
 - d. Once an owner has paid all fines, assessments and is in good standing with the POA, management will give access to the owner to resume well use.

- 3) Per CC&R's the board has the authority to pursue all legal means possible to enforce CC&R's, impose fines and assessments and lien an owners parcel if necessary.
- 4) If an owner is unwilling or refuses to follow the Rules and Regulations and/or has repeatedly broken the rules, the board has the right to deny access to the well indefinitely.

Road Maintenance Policy

Approved by Board: January 2020, Revised: May 2024

Per SVR CC&R's: All roads in SVR, per the section plat map filed with Yavapai County, are owned by SVRPOA, shall be maintained, and repaired by the SVRPOA and are considered primitive roads. "Primitive Road" is a special designation of public roads established by State Statute §28-6706. These roads are substandard dirt roads, used for public travel, that are not maintained regularly. SVRPOA provides a very basic grading program which was never intended to be modeled from a state or county-maintained road program. There is no schedule for annual grading of every road. If grading is not needed on a road or area due to various reasons, it may go quite some time without grading. As an example, which include but are not limited to; Unnecessary grading has no benefit to some roads due to the disruption of compacting. Roads with weeds and vegetation do not warrant grading. The SVR website (www.sierraverderanchpoa.net) has a form for all owners to access 24/7 in which they can request road maintenance and/or repairs. These requests will be dealt with by the Road committee and if warranted scheduled for maintenance as resources allow. It is not realistic to expect immediate maintenance unless it is an access emergency. Communication with the road committee, via the management company, and realistic expectations will ensure an amicable resolution to road needs.

SVRPOA does not maintain roads built on private SVR owned properties.

Per SVR CC&R's: NO SVRPOA roads can be closed or restricted by fence, gate, or structure at any time, and are to always remain accessible to SVR owners.

NOTE: Due to SVR being in the middle of a working ranch (Double OO Ranch), there may be some old access roads, some with gates and/or old fencing. These areas are not subject to SVR CC&R's and the roads are NOT part of the SVR plat map but are roads that the Rancher allows access over for our convenience. This is a privilege and can be revoked by the Rancher at any time, without notice, if their property is not respected. SVRPOA Board of Directors works closely with the Rancher to assist in respecting this privilege for the benefit of all SVR property owners.

The following is the priority for scheduling maintenance, repairs and improvements:

- 1) **"NON-PASSABLE" Emergency:** This is considered an unexpected, emergency situation that requires immediate reallocation of resources in order for a resident to gain "passable" access to/from their home. This does not include temporary situations due to rain or snow. Owners who live in SVR must accept that there will be times when travel is not possible due to weather. However, if after the storm passes, and your road is damaged and unpassable, notify the board, via the management company. Full and complete maintenance, repair or improvement may not happen at this time if other areas demand attention. However, if resources have been brought to this area, then scheduling may change for other projects, if the road committee deems it more cost effective to do so.
- 2) **"PASSABLE":** Some areas of the ranch have horrible access and this access washes out or is damaged easily and requires constant attention to keep passable. These are improvement projects that, when no other emergencies are using SVR resources, get done. The road committee schedules these projects during the most

optimal weather times they can and/or when repair resources are available, i.e.: gravel, culverts, equipment, deliveries, etc. If a request comes in that a road needs grading or road is just starting to deteriorate, and access is becoming difficult. The road committee will investigate the need and let the owner know if this is a high or low priority maintenance/grade request. It will be scheduled according to the committees' recommendation. These areas will be taken care of as soon as SVR resources are in the area and available. They are not considered emergencies and will not be treated as such simply because the road is not in optimal condition.

Don't abuse your roads. When wet, try not to travel on them as much as possible. Don't joy ride for fun in adverse road conditions. If you do have to travel, stay on the road. If we all respect these roads as OURS, they will last longer and require less emergency maintenance.

Easements. Any fences, signposts, property markers (other than official surveyor's pins) that encroach upon the road easement and may be detrimental to road maintenance or usage will be subject to removal.

Finally - Stay in contact with your board, your road committee, via the management company and attend board meetings to better understand the workings of SVR. Many times, a simple phone call or email can alleviate all frustrations.

Board of Director Participation in Board Functions

Approved by the Board: May 2024

Philosophy: The SVR CC&R's and Bylaws are the main documents that govern the relationship between the POA and all property owners of the SVRPOA. These documents further include the rights and obligations of the POA regarding the assets of the POA. Officers, Committees, Designated VP and Director positions are established to ensure the Declaration, Bylaws are being followed and SVR assets are being adequately protected. Being a Board member means you have a duty to help the entire Board with properly operating the POA by volunteering until positions are filled. Board members should be more than just officers. When needs arise, the Board member should also contribute their skills to other committees or positions so that Board's decisions reflect input from all Board members.

Purpose:

- 1) Ensure compliance of CC&R's with regards to incoming issues from the members by making a committee or Board member responsible for tracking and follow up until issue resolved. The management company can oversee tracking incoming and follow-up of issues, if a written report is provided at each meeting so that the board and POA members are aware of all current, pending, and potential issues.
- 2) Institute policies and SOP's which help members understand CC&Rs and how to comply without further action being required by the Board of Directors.
- 3) Make sure the functions and duties of the POA Board are spread out amongst all the Board so that not just one or two members are doing all the work.
- 4) Make sure all Board members understand and are aware of what the other directors are doing by requiring written reporting at each meeting from each committee chairman or director position. These reports to be posted and available to all members to read and learn.
- 5) Add and remove functions, committees, positions as needed to enforce CC&Rs and operate the POA.
- 6) Each director is responsible for making sure other directors stay on track with consistency and compliance with SOP's established to enforce the CC&R's.

Procedure:

- 1) Establish a list of functions, positions, committees, etc. and their purpose.
- 2) Fill all the positions accordingly with Board members.
- 3) Discuss Issues pertinent to CC&Rs, Legal issues or POA business at each board meeting. Assign issue to appropriate Board member/committee to follow up and determine if this is an issue that requires action by the Board to decide or initiate a policy to handle. If a special committee is needed, it is established for that purpose.

Board Officers:

- 1) President
- 2) Vice President
- 3) Treasurer
- 4) Secretary
- 5) 5 at-large Director positions

Other Board Positions:

- 1) VP of Roads – Road Manager
- 2) VP of Wells – Well Manager

Committees:

- 1) Road & Well committee (Road Manager Chairman)
- 2) Election Committee Chair