SAN MARCOS COUNTRY CLUB ESTATES

Homeowners Association (HOA)

@SanMarcosCountryClubEstates

Rules and Regulations

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Historical Highlights

The City of Chandler was incorporated in 1912 to serve as the township for a burgeoning agricultural community. Dr. A.J. Chandler, its namesake and founding father, went to considerable lengths to utilize modern design concepts in laying out the city resulting in attractions like a city park in the center of town and a grid system for streets. Dr. Chandler, through the Chandler Improvement Company, personally platted the original San Marcos Fairways (the predecessor to San Marcos Country Club Estates) in 1929, and the plat stipulated roads being private. A set of CC&Rs were written and filed but never recorded. At the time, the San Marcos Hotel existed as a destination resort of some acclaim, complete with a grass golf course, which was the first of its kind in Arizona. The course was laid out around the Dobson Family farmhouse (circa 1919) which is in our community at 35 S. Fairway Court.

The first home constructed on the golf course was at 560 W. San Marcos Drive in 1929, and it still stands today. The home was noted by the local newspaper at the time as the “first of the handsome homes that will encircle the San Marcos Fairways.” It existed by itself for more than twenty years before the next home was constructed. During that time, it stood between the golf course, ostrich farms, and cotton fields.

John Quarty, longtime owner and general manager of the hotel re-platted a portion of the area in 1969 and tried to stimulate development by constructing a group of houses on Half Moon Way and the eastern curve of San Marcos Drive. During the 1970s and 1980s, homes backing up to the golf course were built sporadically along San Marcos and Fairway Drives.

In the early 1980s, a limited partnership of Canadians purchased the hotel, golf course, and all undeveloped land around the course including what is now the San Marcos Country Club Estates. They rehabilitated most of the original hotel structure, built new room wings, and listed it on the National Register of Historic Buildings. When the oil industry fortunes reversed in the mid-1980s, the Canadian partnership, which owned the land for development, filed for bankruptcy, and the assets reverted to Valley National Bank (now Chase Bank). Focus Development purchased the land from Chase Bank in 1992 and began the build out of the neighborhood, more than 60 years after Dr. Chandler planned the area.

Creation of the HOA was complicated by the protracted development timeline. Several quasi associations were formed over the years to deal with the issues like road repair, bringing in utilities, etc., although none ever recorded CC&Rs and became official organizations. When the correct HOA was proposed, there was no legal way to force the owners of lots and homes (privately held at the time Focus Development acquired the undeveloped land) to join. Extensive discussions and negotiations ensued, ultimately resulting in incentives and "grandfathering" acknowledgments being offered to pre-existing owners as inducements to voluntarily join the HOA. Most accepted the terms. This spawned the creation of tract declarations, which are necessary to describe differing rules that apply to different areas of the neighborhood. There are 7 different tracts to the neighborhood:

- Tract 1 (San Marcos Country Club Estates I) includes an area around the Frye entrance gate that was replatted from the original San Marcos Fairways plat to accommodate the front gate
- Tract 2 (San Marcos Country Club Estates II) includes the annexation of Quarty Circle
- Tract 3 includes San Marcos Village 1 (previously known as the East Colony), the land on the east side of the community developed by Capital Pacific Homes
- Tract 4 includes San Marcos Village 2 (previously known as the West Colony), which is the land on the west side of the community developed by Capital Pacific Homes
- Tract 5 includes the additional lots in San Marcos Fairways that had no homes as of 1994
- Tract 6 includes the homes of San Marcos Fairways that were existing as of 1994
- Tract 7 includes a small land swap between the HOA and the City of Chandler to allow the water retention area south of Fairway Place and north of Frye Road. See map of all tracts in Attachment A.

Over the years, the community has become home to area business leaders and distinguished families.

Introducing the HOA

The community of San Marcos Country Club Estates is a unique neighborhood located in Downtown Chandler. Characteristics defining its uniqueness range from its history, diversity, setting, and occupants (past and present). It is hoped it will continue to thrive as a vibrant, caring neighborhood composed of individuals and families that cherish quality of life, compatible living among diverse peoples, and a respect for the environment, community, and property.

Variety and quality are hallmarks of the San Marcos Country Club Estates. Variety is achieved through the design and architecture evidenced within the neighborhood and the range of homes found in its various tracts or areas. Quality is encouraged throughout in design, construction, and maintenance to make a statement about the expectations and longevity of the individual component parts that make up the neighborhood.

Excellent is the hallmark of San Marcos Country Club Estates. This excellence is achieved through careful planning and quality construction.

A Declaration of Covenants, Conditions, and Restrictions (the CC&Rs) has been recorded to establish a uniform development plan for San Marcos Country Club Estates as well as the seven tract declarations stated previously. Every member of the Association buys his home subject to the CC&Rs and association documents. In accordance with the CC&Rs, the Board of Directors has developed Rules and Regulations that complement the other governing documents (CC&Rs, 7 tract declarations, Bylaws, and Articles of Incorporation). The Rules and Regulations speak to some of the restrictions set forth in the CC&Rs and Tract Declarations as well as additional clarifications. It is important that Owners and Residents become familiar with all association documents.

The Architectural Committee has adopted guidelines included within this document to evaluate all areas within the community belonging to the HOA to ensure they are consistent with the integrity of the community.

The following Rules and Regulations are intended to summarize certain major components of the CC&Rs and tract declarations of which all homeowners must be aware. However, in the event of a conflict between these and the CC&Rs and tract declarations, the provisions of the CC&Rs and tract declarations shall supersede any provisions contained in these Rules and Regulations. See tract map in Attachment A.

These Rules ensure excellence by establishing standards for construction and remodeling residences and defining community rules concerning property use. These Guidelines also demonstrate the importance each homeowner plays in maintaining the quality environment at San Marcos Country Club Estates.

We ask your assistance and cooperation in order to make the community a lastingly beautiful neighborhood.

Community Organization

The San Marcos Country Club Estates Homeowners Association is responsible for the maintenance and management of all common areas and related facilities, and administration of construction activities by homeowners in accordance with adopted Design Guidelines and Standards.

The Board of Directors (“The Board") manages the affairs of the Association. The Board may vary in size from five to nine members and Board elections are held at the Annual Meetings of the Association. The Board has a wide range of powers including the ability to adopt r u l e s and regulations governing the use of common areas and to employ a management firm to assist in the operation of the Association.

The Property Manager is contracted by the Board to manage the community, including maintenance, enforcement, and collections.

The Architectural Committee is established by The Board to review all improvements within San Marcos Country Club Estates including new construction and modifications to existing properties. The Architectural Committee has adopted Design Guidelines and Standards to evaluate proposed construction activities.

Patio Covers and Storage Sheds

Metal or other backyard storage sheds detached from the house are allowed when they are lower than the home's surrounding block wall. Architectural review and approval is not required in these cases. If it is taller than or can be seen over the perimeter wall, prior written approval must be obtained from the Architectural Committee.

All permanent additions to a home including patio covers and buildings must be submitted to the Architectural Committee for approval prior to construction.

Double Gates

Double gates may be installed on a lot to allow wider access ways to back yards. Double gates must be of the same type, design and color as the originally installed single gates. They also must be located on the same side of the house as the originally installed single gates. Shrubs, trees or other plants shall be located between the house and the double gates, where possible.

Antennas

No antenna or other device, including microwave dish apparatus, for the transmission or reception of television or radio signals shall be erected without approval by the Architectural Committee. FCC antenna regulations must be met.

(CC&Rs 4.1.8)

Roof Equipment

All air conditioning units, evaporative cooler, heating, cooling or ventilation equipment or other apparatus, structure or object shall be screened from view and located so as not to be visible from neighboring property, streets or common areas. Roof mounted heating, cooling and ventilation equipment shall be permitted to be placed on the roof of a dwelling unit only where complete visual screening is integral with the form and building materials of the building or structure upon which said equipment is located and such placement has been permitted by the Architectural Committee. No elevated tanks of any kind shall be erected, placed or permitted upon any of the Lots. Any tanks for use in connection with any residential construction, including tanks for storage of gas and fuel oil, must be buried or walled in or kept screened by adequate planting so it will not be visible from neighboring property, streets, or common areas.

(CC&Rs 4.1.22)

Swimming Pools

A homeowner should consult the CC&Rs and city ordinances for any special restrictions or required approvals. Pool construction must be completed within 90 days.

Prior to construction of a swimming pool, a homeowner must contact the Management Company to coordinate the point of construction access to ensure damage to common landscaped areas and common perimeter “theme" walls is avoided. Lot owners must enter through the side yard wall, from the front of their homes.

Pools may not be backwashed into the drainage ditches, common landscaped areas, drainage

ways or streets, or golf course. All backwashed water shall be retained on the owner's lot. If necessary, a hole should be dug and filled with rocks to provide for the needed capacity.

In the event a hole is made in a wall to backwash into prohibited areas, the Association may repair the wall at the lot owner's expense.

The City of Chandler regulates swimming pool fence requirements. The Building Safety Department should be contacted to determine the safety fence requirements for your pool.

Flagpoles

No flagpoles shall be installed to be visible from neighboring property, unless approved by the Architectural Committee. Lot owners are advised to use brackets mounted on the house or garage to display flags. See Architectural Committee Guidelines for Flag Pole details.

(CC&Rs 4.1.8)

Basketball Goals

No basketball backboards shall be installed as to be visible from neighboring property unless approved by the Architectural Committee
Portable basketball goals are allowed in the front yards while they are in use.

When not in use they must be stored so as not to be visible from the street or neighboring properties and must be approved by the committee.

(CC&Rs 4.1.8)

Clotheslines

Clotheslines or other outside facilities for drying clothes are not allowed unless they are placed exclusively within a fenced yard or otherwise concealed. Such facilities may not be visible from neighboring property or above the fence line.

(CC&Rs 4.1.11)

Signs

No signs which are visible from neighboring property shall be erected or maintained on any lot, except signs required by legal proceedings, building identification signs for individual residences each with a face area of seventy-two square inches or less, and "for sale" and “for lease" signs. ”Garage Sale” or other signs of that nature are not allowed except for the designated community sales. Signs in backyards overlooking the fence willnot

be approved for any reason. Estate Sales must have prior approval from the Property Manager prior to the event to ensure proper gate and traffic control.

Changes in Lot Grading

Lot owners should check with their homebuilders to ensure that any planned regrading of their lot, either major or minor, will not affect the flow or runoff water. Most lots are designed to drain from the backyards to the front and any rising of the front yard grade may cause water to collect and pond in the back yard and cause damage to a residence. If the grade is changed to the detriment of the adjoining neighbors, the homeowner responsible for the change of grade will be responsible for damages.

Planters and Walkways

Planters, paved walkways and other hardscape features visible from neighboring properties must be reviewed and approved by the Committee. Surface textures and colors should match the paint color and materials of the house.

Gazebos

Gazebos are not allowed unless the Architectural Committee gives prior written approval.

If approved, the following guidelines must be followed:

- Maximum square footage: 100 square feet
- Maximum height: 8 feet
- Minimum side setbacks: 8 feet
- Minimum rear wall setbacks: 8 feet
- Color and roof top is to match that of the house.
- No lighting on exterior of gazebo roof is permitted unless approved by the Architectural Committee.
- Completion is to be within forty-five (45) days from the approval date.

Play Structures

Prior written approval of the Architectural Committee is required. If approved, the following applies:

- May be erected in rear yards only
- Maximum height allowed to top support bar or highest point of Structure is eight (8) feet.
- Maximum height of any deck/platform is to be two (2) feet above the ground.
- The structure is to be left the natural wood color or may be painted to match the trim or

body color of the house and is to be properly maintained.

- Any canopy/tent is to be of a solid earth tone color or matching the house and maintained free of fading or discoloration.
- No enclosed structures are allowed on above ground platforms that are visible above the fence lines.

Window Coverings

Window covering materials, including, but not limited to, aluminum foil, reflective screens or glass, mirrors, sheets, blankets, towels, newspapers, cardboard, paper, or similar type items, cannot be installed or placed upon the outside or inside of any windows of any residence of other structure without prior written approval by the Architectural Committee.

Within 90 days of occupancy, each lot owner must install permanent draperies or suitable window treatments on all windows visible from neighboring property.

(CC&Rs 4.1.23)

Renting Property

Owners may rent only the entire lot or dwelling unit to a single family tenant. The Property Manager at the Management Company must be notified within 30 days. Owners must provide the resident or occupant a copy of the community documents with attachments.

FEES:
Lease Transfer Fee: $25

(CC&Rs 4.2.2)

Short Term Rentals

Purpose
This policy governs the use of properties within San Marcos Country Club Estates HOA for rentals. It aims to preserve the safety, security, and tranquility of the neighborhood, while complying with Arizona Revised Statutes

Compliance with Applicable Laws and Ordinances.
Owners choosing to rent their Lots are responsible for complying with all local, county, and state regulations pertaining to rental properties, including but not limited to obtaining a Transaction Privilege Tax and registering the rental property with Maricopa County. The City of Chandler also requires neighbor notifications, a short-term lease license, emergency contact and prohibited use information posted within the rental unit, and that the owner display state and city license numbers in each advertisement.

Registration Requirements

HOA Notification: Owners must submit the following to the HOA before each new tenancy at the Lot, along with a $25.00 registration fee:

- The name(s) and contact information for any adults occupying the property
- The time period of the lease, including beginning and ending dates
- A description and license plate numbers of the tenants' vehicles

General Rules for Applicable to all Lots in the Community:

- All occupants of a Lot must comply with the provisions of the Declaration. Lot Owners remain liable for any non-compliance with the Association's governing documents.
- All Lots are restricted to single family residential use.
- Only an entire Lot and Dwelling Unit may be rented to a tenant by the Owner.
- Noise & Nuisance: No excessive noise or disruptive behavior.
- Parties/Events: No events, parties, or commercial functions that create a nuisance or that violate any provision of the Declaration will be permitted.
- Parking: All vehicles must be parked in garage. No overnight Driveway or street parking @ any time is allowed.
- Trash & Waste: Trash bins must be used and returned from the curb within 24 hours of collection.

Violation Enforcement Fines:

VIOLATION	FINE
Failure to register with HOA	$15/Month until paid in full
Noise complaints or disturbances	$500
Events/parties that create a nuisance	$500
Parking Violations	$65
Repeat violations (within 12 months)	Double previous fine

*Note: Fines are per occurrence without cure period

Complaint Investigation Process:

- Complaints must be submitted to the HOA (Contact info below).
- The HOA will investigate the issue and may contact the owner for response.
- The owner has 10 days to respond and/or to request a hearing after a fine is imposed.
- Emergency or egregious violations will be reported to Chandler Police and/or may result in legal action.

Contact Information:

San Marcos Country Club Estates HOA
Vision Community Management Real Manage
Phone: 480-759-4945
Email: SanMarcos@WeAreVision.com

General Property Use

In residential areas, no gainful occupation, trade, business, or other nonresidential use may be conducted on the property, and no person can enter the property for the purpose of receiving products or services related to such usage.

(CC&Rs 4.2.1)

Trash/Recycling Containers and Collection

Containers must be stored in garages or behind yard walls except from 6pm the day prior to collection by the City of Chandler through the end-of-day following collection by the City of Chandler unless the day following is on a weekend in which case the container must be removed no later than end-of-day Sunday.

(CC&Rs 4.1.10)

Mailboxes

The only approved type of mailbox at San Marcos is a monument style mailbox constructed of block, brick or stucco and painted to match the house. A temporary mailbox may be used prior to the construction of the mailbox provided the lot owner has submitted to the Architectural Committee for a monument style mailbox, all other mailboxes such as pole and box or Victorian style mailboxes are not allowed within the community without a variance from the Architectural Committee.

Pets

Residents are allowed to keep a reasonable number of generally recognized house or yard pets. Animals cannot be kept or raised for commercial purposes, and they are not allowed to make an unreasonable amount of noise or become a nuisance to neighbors. Also, no structure for housing such animals may be visible from neighboring property. All owners must clean up after their pets.

Vehicles, Campers, and Boats

No motor vehicle classed by manufacturer rating as exceeding 3/4 ton, mobile home, trailer of any kind, camper shell, boat, or other similar equipment may be parked, or stored on any lot or on any street in San Marcos Country Club Estates so as to be visible from neighboring property. Trailers and campers can be occasionally parked in the driveway for loading and cleaning purposes, but not for more than four (4) consecutive days, and the vehicle must fully fit in the driveway.

All motorized vehicles, including ATVs, motorcycles, go carts, and similar vehicles are prohibited from entering onto any common areas including bike paths and walkways.

No motor vehicle of any kind shall be constructed, reconstructed, or repaired in any area. No inoperable vehicle may be stored as to be visible from neighboring property or common areas.

(CC&Rs 4.1.18 and 4.1.20)

Parking

Each lot shall have a garage that provides parking for at least two motor vehicles. All vehicles shall be kept in garages, however this shall not be construed to permit the parking or storing in the above described areas of any vehicle whose parking or storage in San Marcos Country Club Estates is otherwise prohibited by the association documents. Driveway parking is prohibited unless there's a parking variance in place. Owners must submit a request yearly for a parking variance which is granted by calendar year. Owners who request variances that are approved in November and December will have the variance in place through the following calendar year. Parking on the street is **NOT** allowed. Garage doors must be kept closed.

Vehicles of service providers, guests, and invitees of Owners and Residents must be parked in the garages or driveway of the Owner's or Resident's lot. Permission for temporary parking on private streets or other San Marcos Country Club Estates areas for private social events or other permitted activities may be requested of the Property Manager or Board of Directors.

Under no circumstances shall overnight parking be allowed without the express written approval of the Association. Overnight parking is defined as vehicles parked on the street between the hours of 12:00 a.m. and 5:30 a.m.

(CC&Rs Certificate of Amendment 11/07/2005, 4.1.21)

Towing of Vehicles

Vehicles parked in violation of this On-Street Parking rule are subject to being towed, pursuant to Article XII, Section 12.2 of the Declaration, as set forth in the Towing of Vehicles policy.

Towing will be at the sole cost and expense of the owner of the vehicle or equipment. Any expense incurred by the Association in connection with the towing of any vehicle or equipment shall be paid to the Association upon demand by the owner of the vehicle or equipment. If the vehicle or equipment towed is owned by an Owner, then the cost incurred by the Association in towing the vehicle or equipment shall be assessed against the Owner and his/her Lot and be payable on demand, the cost shall be secured by the Assessment Lien in the Declaration.

(CC&Rs 11.12.2)

Building Repair

No building or structure shall be permitted to fall into a state of disrepair, the owners of every home or structure is responsible at all times for keeping the buildings in good condition, and adequately painted or otherwise finished.

In the event any building or structure is damaged or destroyed, the owner is responsible for immediate repair or reconstruction. Construction materials and vehicles may be temporarily stored in areas provided by the Architectural Committee.

Gate Access

Our community has controlled access with three (3) vehicular gates which remained closed except as directed by the HOA Board of Directors:

1. Frye Rd. (with guard house)
2. Boston St.
3. San Marcos Dr. golf course slider

Additionally, we have three other gates:

1. One (1) emergency access gate on Emerson St. (To remain locked unless of an emergency)
2. One (1) pedestrian gate next to the Frye Rd. Entrance gate.
3. One (1) Pedestrian gate next to the Boston Exit Gate

To be set up to utilize the gates, please complete the Gate Access Form located at @SanMarcosCountryClubEstates. Remote controls & Head lamp Tags are available for purchase through our property manager. Mobile phone remote access is also available through the "My Q" app. The fee for this service is included in the HOA monthly dues. To sign up for this service please email sanmarcos@wearevision.com to request an invitation, once received follow the instructions.

When using the remote-control at Frye Rd., one must point the Remote Control at black intercom mounted to the guard shack. At Boston St., point remote control at the same black intercom box mounted into the column. If using the Head Lamp Tags, drive slow and close to the gray square antenna mounted on the planter at Frye and on the column @ Boston.

Remotes, codes and Headlamp Tags are serialized and assigned to specific HOA members.

HOA Homeowners are responsible for their guests, vendors and delivery drivers that enter the community. Therefore there is not a general vendor code. Owners are to share their own code or develop guest codes using "MyQ" app for guests, vendors and delivery drivers.

All three primary exit gates will automatically open when approached in a vehicle. (There are sensors underground).

Walking Procedure:

Frye Rd. &Boston Gate gate has a walkway entrance which can be opened using the MyQ App or enter your personal code and the # symbol for example 1234#.

Power Outage Procedure:

In the event of a power outage, the gates will automatically open.

Architectural Review Process

The CC&Rs require written approval of the Architectural Committee before any change to a site or building exterior of a residential property is made. An Architectural Design Application is available at www.sanmarcoscountryclub.com. No new construction or remodeling, or painting of exterior color, is to occur on any lot or exterior of any home without the prior written approval of the Architectural Committee.

When submitting to the Architectural Committee, be sure to include the following:

1. No submittal will be considered unless all assessments are current.
2. Application form completed and signed (copy enclosed, additional copies may be obtained from the Association management Office.
3. Plot Plan - A site plan indicating dimensions relating to the existing dwelling and property lines (setbacks, etc.) and the improvement to be made.
4. Elevation Plans - Plans showing finished appearance of the improvements in relation to the existing dwelling and property lines.
5. Specifications - Description detailing materials to be used with color samples attached and drawing or brochure of structure indicating dimensions and color.
6. Landscape plans must be submitted along with every plot and house plan.
7. Submittal fees as listed below. Submit the application and plans to the office of the property manager.

It is the homeowner's responsibility to ensure that any proposed construction is coordinated with, and where applicable, approved by all counties, local, state and federal government agencies. The Committee, the management Company and the Association assume no responsibility for obtaining these reviews and approvals.

Fees

NEW HOUSE PLANS: $1,000 (1/2 Refundable at completion)
(Landscape plans must be included with new house plans)

HOUSE ADDITIONS/REMODEL: $500 (1/2 Refundable at completion)

LANDSCAPE PLANS: $100
(Other than new homes)

ALL OTHER SUBMITTALS: No Charge
(e.g. exterior painting)

CONTRACTOR'S GATE ACCESS FEE: $50/month (Prepaid in Full)

We strongly recommend that you review all applicable documents to become familiar with the zoning requirements and covenants, conditions and restrictions for your home site. While planning and designing your home, please pay special attention to the following sections of the following documents:

- City, county, and state zoning requirements;
- Tract Declarations
- Third Amended and Restated Declaration of Covenants, Conditions and Restrictions and Easements (herein referred as CC & Rs).

Additional information and documentation on zoning can be acquired by calling the Planning Department of the City of Chandler (reference San Marcos Country Club Estates). A plot plan for your specific lot is available from the HOA and will specify setbacks, easements, and building envelope. Tract declarations and CC&Rs are available online @ www.sanmarcoscountryclub.com.

The guidelines stated herein shall be construed as being the only restrictions applying to the development of your home site. The Developer/Homeowner shall look to the above-stated documents and the City of Chandler for the complete listing of guidelines, zoning ordinances, covenants, conditions, and restrictions applying to the specific lot purchased.

Submittal Requirements

Once the Architectural Committee has received plans and submittals, there are three possible findings: Either plans are approved, denied, or returned for more information. If approved, the submittal form will be signed and dated by a member of the Committee or the Property Manager and returned to the lot owner with an entry into the HOA's file. If the plan has been denied, the submittal form will be itemized with the reasons for denial. If a plan is denied, this is also reflected in the lot owner's HOA file at the Management Company. If the plan is returned for more information, the lot owner

is required to review the plans and resubmit the drawing to the Committee.

It is the lot owner's responsibility to submit for approval. If the contractor is submitting plans, the submittal form must be filled out completely so the Committee has the option of contacting the lot owner about possible conflicts or for more information. The plans will be returned to the lot owner, with one copy of the plan kept on file at the Management Company.

Front yards on all residential lots must have their landscaping completed within ninety (90) days from the date of occupancy. Landscaping plans need to be approved by the Architectural Committee prior to starting installation.

The Architectural Committee responds to all submittals approximately forty-five (45) days of receipt, this includes re-submittals.

Building Architecture

In general, any exterior addition or alteration to an existing residence or lot shall be compatible with the design character of the original structure.
Existing homes in San Marcos range in their architecture from traditional desert ranch house and pueblo to Mediterranean and ultra-modern simplicity. The result is dear informality and freedom in building design.

Building Envelope:

Front yard - minimum 30 feet; rear yard - minimum 30 feet; and side yards - minimum 8 feet.

Maximum Height:

Twenty-four (24) feet.

Minimum Living Area:

- Tracts 1, 2, 5, and 6: Two Thousand Four Hundred (2,400) square feet.
- Tracts 3 and 4: One thousand four hundred sixty (1,460) square feet.

Colors:

Exterior colors shall be in a range of shades of white, conservative Pastels, soft earth tones, or of a conservative and attractive brick, block, stone, or wood.

Architecture styles in Tracts 2, 3, and 4 must be of the Southwestern spectrum, including: Southwest Pueblo, Spanish Colonial, Territorial, and Contemporary Southwestern.

Construction Activities:

A pre-permitting meeting between the Owner, Contractor, and a member of the Architectural Committee is required. The meeting will be scheduled at the earliest, mutually agreed-upon time, at the home site, to personally review construction activity guidelines and requirements. Adherence to the guidelines and requirements is the responsibility of the Owner and Contractor and violations will be subject to warnings and levies in accordance with the policies adopted by the HOA Board of Directors. Normal construction activities associated with the building of homes are acceptable and normal noise and disruption is inevitable, however, efforts by the owner and contractor are expected to result in recognition of the rights of the existing residents and regard for regulations within the neighborhood.

Landscaping:

The portion of any lot which is visible from neighboring property, streets, or common areas shall be completely landscaped and planted prior to occupancy.

The front yard of each lot of Tracts 1 and 5 shall contain at least two (2) trees. If the tree is a shade tree planted within twelve (12) feet of the paved surface of the roadway, the canopy must be trimmed to seven (7) feet.

Tract 4 (San Marcos Village II) lots 1, 12, 16, 17, and 23 must maintain a 30 foot by 30 foot minimum site line at the corners of the streets.

Lighting:

All exterior lighting shall be diffused and indirect whereby no light source is directly visible from any lot or from any private street or access way adjoining such Lot. Proper maintenance/replacement of lights is required to remedy any that are not working, rusted, or missing.

Restrictions for Tract I (San Marcos Country Club Estates I), Tract 2 (San Marcos Country Club Estates II), Tract 5 (San Marcos Fairways additional lots or homes built after 1994), and Tract 6 (San Marcos Fairways existing homes built 1994 or earlier):

Each lot shall have two (2) “Bollard” style lights installed, one of which must be located on one side of the driveway. Curbside and security (which only functions when triggered by a motion detector and stays on only briefly thereafter) lighting may be direct, need not be diffused, and may be visible from any point.

Decorative Lighting

Decorative string lights may not be used for any longer than a 45-day period but not in place beyond January 15 after the winter holiday season.

Perimeter Walls

All perimeter walls shall be six (6) feet in height and shall be constructed of a minimum of four (4) inch block with columns located every twelve (12) feet on center. All wall returns extending the side yard wall to the dwelling shall bear the same color and texture as contained on the dwelling unit.

Construction Activity Requirements

Lots shall always be kept in a neat and tidy condition during construction. Trash and debris shall not be permitted to accumulate - provision of an on-site dumpster is recommended.

On-site restroom facilities must be provided during the entire construction period. Supplies of any and all construction materials shall be staged on the site only.

Delivery of construction materials must come through the Boston Street entry/ exit-corners are less severe for larger vehicles, damage to the neighborhood resulting from construction vehicles or related activities is the responsibility of the owner of the lot under construction.

Security of the site is the sole responsibility of the Owner /Contractor- temporary fencing of the site is required.

For custom lots, a 2' by 3' sign must be posted prominently in the front of the Lot during the construction period for the trades people and subcontractors with the messages:

- No on-street parking
- Speed limit is 20 miles per hour in all neighborhoods
- Crews must use only the Boston Street gate for entry and exit
- Delivery of all construction materials must come through Boston Street
- No radios or speakers that can be heard by the neighbors allowed
- Keep all noise to a minimum
- Construction permitted from 5:00a.m. to dusk on weekdays and Saturdays in summer (dawn to dusk in winter) and no Sunday or holiday construction activity is permitted.

No other signs will be permitted on the lot without the prior approval of the Architectural Committee.

Exceptions may be requested from the Architectural Committee f o r extenuating circumstances and must be granted in advance of occurrence.

Ornamentation

The utilization of non-living objects, such as ornaments in the landscape, is generally discouraged, particularly in side yards visible from adjacent properties and roads. Fountains, waterfalls, etc. are considered on a case by case basis.

Maintenance

All landscaping shall be maintained in a neat and attractive condition. All grass areas will be maintained year-round and must be over seeded. Front yard landscaping must be completed within 90 days of close of escrow.

The owner of every home or lot is always responsible for keeping the property in good condition.

Design Compatibility

The proposed construction must be compatible with the design characteristics of the property itself, adjoining properties, and the neighborhood setting.

Workmanship

The quality of workmanship evidenced in construction must be equal to or better than that of the surrounding properties.

The Committee typically responds to all submittals within forty-five (45) days of receipt. This includes re-submittals. All approvals will be in writing.

For submitting house plans, homeowners are required to fill out a submittal form completely and provide two copies of the house and landscaping plans to be approved and meet all requirements as set forth in the CC&Rs. If these requirements are not met the plan and form will be returned to the resident for additional information. Fountains, waterfalls, etc., are considered on a case by case basis. Any modification to an already approved set of plans must be resubmitted for approval by the Committee.

Tennis Courts

Private tennis courts are not permitted. Sport courts require written approval from the Architectural Committee.

Driveways

Driveway extensions must be submitted to the Architectural Review Committee for approval.

Machinery and Equipment

No machinery or equipment of any kind shall be placed, operated, or maintained upon any lot.

Inoperable Vehicles

No inoperable vehicles may be parked, maintained, or stored on any street in San Marcos Country Club Estates.

Collections

Assessment Collections Policy

A late fee of $15.00 may be charged to any account that shows an assessment or an installment of an assessment not paid within fifteen (15) days of the due date.

Assessment Collection Schedule

(1) Written reminder sent to property owner on or after the 15th day of the first unpaid assessment informing them that the account is delinquent and that a late fee may have been applied. All letter fees are the responsibility of the property owner.

(2) Written collection and intent to lien letter sent to property owner on or after the 45th calendar day of the first unpaid assessment informing them that the account is delinquent and that a late fee may have been applied and the account may be referred to the association's collection agent for further action. Homeowner is given 15 days to respond and all letter fees are the responsibility of the property owner.

(3) Any account with an unpaid assessment balance at least 60 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 homeowner may request to enter into a payment plan for all outstanding assessments and fees.

(4) 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.

(5) For any account with an unpaid assessment balance at least 90 days past-due, one of the following processes may occur:

a. At the discretion of the board of directors, accounts may be referred to small claims court to obtain a personal judgment against the owner(s) of the lot whose responsibility it is to bring the account current. All collection and court costs are the responsibility of the property owner,

b. OR, at the discretion of the board of directors, accounts may be referred to the association's attorney for further collection activity including, but not limited to, lawsuit or foreclosure. All legal fees, collection and court costs are the responsibility of the property owner.

Foreclosure Collection Procedure:

At the discretion of the board of directors, lots foreclosed upon with balances owed may be referred to the association's collection agent for further action including, but not limited to, a lawsuit to obtain personal judgment against the owner(s) of the lot whose responsibility it was to bring the account current at the time of foreclosure. All collection, court costs, and legal fees are the responsibility of the debtor,

-OR-

At the discretion of the board of directors, lots foreclosed upon with balances owed may be referred to an outside collection agency for further collection action including, but not limited to, a lawsuit to obtain personal judgment against the owner(s) of the lot whose responsibility it was to bring the account current at the time of foreclosure. All collection, court costs, and legal fees are the responsibility of the debtor.

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

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**:**

1. 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.
2. 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.

Violation Enforcement

Enforcement of violations is the responsibility of the Board of Directors. The Board will take legal action, if required, to ensure that violations are resolved. The Board has adopted a Monetary Penalties Policy which allows the Board to fine a homeowner from $10.00 to a maximum of

$500.00 per day for any violations of the Association documents.

First Notice

A letter will be sent to the Owner of the property outlining the violation. In the event the Owner of the property can be 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 fourteen (14) calendar days to bring the violation into compliance. (Excluding Short Term Rentals and Architectural Fine Policy)

Second Notice and Assessment of Initial Monetary Penalty

The Association will assess an Initial Monetary Penalty of fifty (50) dollars 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. The owner will be given fourteen (14) calendar days to bring the violation into compliance. (Excluding Short Term Rentals and Architectural Fine Policy)

Third Notice and Assessment of Additional Monetary Penalty

The Association will assess an Additional Monetary Penalty of seventy-five (75) dollars 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. The owner will be given fourteen (14) calendar days to bring the violation into compliance. (Excluding Short Term Rentals and Architectural Fine Policy)

Additional Monetary Penalty

After the imposition of the Maximum Initial Monetary Penalty, the full amount of the Additional Monetary Penalty of one hundred (100) dollars 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. The owner will be given fourteen (14) calendar days to bring the violation into compliance. (Excluding Short Term Rentals and Architectural Fine Policy)

Certified Mailing Fee

In addition to the monetary penalties there will be a fifteen (15) dollar certified mailing fee assessed per violation.

Should a period of time of at least ninety (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: 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 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. An email is considered a written request. If the hearing is scheduled, and attended, the Owner is bound by the decision of a majority of the Board.

Variances

The Board or governing Architectural Committee may, at its option and extenuating circumstances, grant variances from the restrictions set forth in Article IV of the CC&Rs and anything not covered by the Tract Declarations. A variance can be approved if the restriction would create an unreasonable hardship or burden on an owner or that a change of circumstances since the recording of the CC&Rs and/or these Rules and Regulations has rendered such restriction obsolete and that such activity permitted under the variance will not have any substantial adverse effect on owners and residents of San Marcos Country Club Estates.

Attachment A

