CANYON HEIGHTS OWNERS ASSOCIATION

RULES AND REGULATIONS CC&R VIOLATION AND ENFORCEMENT POLICY AND GUIDELINES

Canyon Heights Owners Association has established the following Enforcement Policy and Guidelines ("Policy") regarding implantation and enforcement of Covenants, Conditions and Restrictions (CC&R's), and potential penalties for continuing violations. This Policy will be deemed part of the Association Rules and is subject to amendment or modification at any time by majority vote of the Board.

First Notice

A first notice will be sent to the owner of the property outlining the violation. In the event that the owner of the property is identified as an absentee owner, a copy of the notice may also be sent to the tenant at the property address. Notice to the Owner will be deemed notice to the Tenant. Notice to the Tenant will be deemed notice to the Owner. The owner will be requested to cure any violation or make other arrangements with the Association within fourteen (14) calendar days of the date of the Notice. The first notice shall indicate that if the owner does not make reasonable efforts to contact the Association or to otherwise cure the violation, a fee may be assessed. This letter shall also state that the owner may petition the Department of Real Estate pursuant to ARS 32-2199.01.

Second Notice

A second notice will be sent if the owner has not complied with the first notice, or if, in the determination of the Association, the violation has returned or has been repeated. The second notice will inform the owner of whether a fee has been assessed and, if so, in what amount. The second notice shall also indicate that if the violation is not cured within a reasonable time, additional fees may, at the discretion of the Association's Board of Directors, be assessed.

Third Notice

A third notice will be sent if the owner has not complied with second notice within a reasonable time or if the violation has returned or has been repeated. The third notice will inform the owner that the Association's Board of Directors may, at its discretion, assess further fees or take further other action with regard to the violation as it deems appropriate and as contemplated by the CCR's and/or Arizona law. If the Association's Board of Directors determines that further fees or other actions are appropriate, the Owner will be informed of that determination and given a reasonable opportunity to address the Board of Directors prior to any further action taking effect.

Certified Mailing Fee

The Association may also impose a fee to cover the costs of mailing and notice with regard to the actions described herein.

Exception to Notice Procedure

Violations which may pose 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.

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. Before any fee is assessed or other action is taken, an owner has the opportunity to request a hearing before the Board of Directors. The owner must provide timely <u>written</u> request for a hearing.

For Canyon Heights Owners Association

Date