

**PACE ROSEWOOD ASSOCIATION, INC.**  
**RULES AND REGULATIONS**  
**CC&R VIOLATION ENFORCEMENT POLICY**  
**(Effective Immediately)**  
**Revised**

Pace Rosewood Association, Inc. has established the following Enforcement Policy for Covenants, Conditions and Restrictions (CC&R's) violations enforcement, and any applicable monetary fines 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. This Enforcement Policy for non-monetary and monetary violations is adopted in accordance with Arizona's Planned Communities Act, Arizona Revised Statutes 33-1801 through 33-1807 (Supp. 1997) and the provisions of the CC&R's and Project Documents, as currently in force and effect. The Board of Directors may approve for immediate fines to be assessed.

**First Notice:**

The first notice will inform the Owner that a fine, not exceeding the Maximum Initial Fine (as established on the attached Schedule of Fines and Penalties), will be imposed for the violation if the violation is repeated or has not been corrected after fifteen (15) calendar days from the date of the first notice.

**Phone Calls:**

A phone call will be placed to the Owner of the property to remind the Owner of the violation and to gain compliance. If a phone number is not available, a search will be conducted to obtain a current phone number. A fee for this phone call will be assessed to the homeowner.

**Second Notice and Assessment of Initial Fine:**

The Association will assess a Maximum Initial Fine 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 as stated in the time frames in the first notice.

**Third Notice and Assessment of Additional Fine:**

After the imposition of the Maximum Initial Fine, the full amount of the Additional Fine 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.

**Forth Notice and Assessment of Additional Fine:**

After the imposition of the Maximum Initial Fine, the full amount of the Additional Fine 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. This fine is subject to late fees if not paid within 30 days of the notice of the fine.

**Additional Fines:**

The full amount of the Additional Fine 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. In addition, the Board shall have the right to remedy the violation and/or take legal action, the cost of which shall be billed to the homeowner and collected in the same manner as assessments. This fine is subject to late fees if not paid within 30 days of the notice of the fine.

**Should a period of time of at least three (3) months lapse between violation letters of the same offense, the next letter will revert back to a First 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 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 fine is assessed, an Owner has the opportunity to request a hearing before the Board of Directors. The Owner must provide a written request for a hearing within ten (10) days. If the hearing is scheduled, and attended, the Owner is bound by the decision of a majority of the Board.

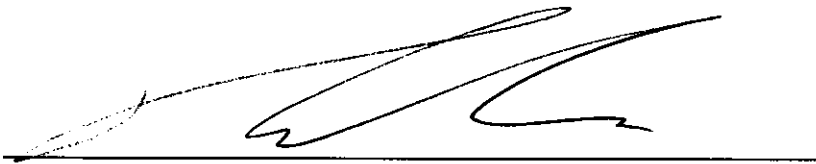
## SCHEDULE OF FINES AND PENALTIES (When applicable)

Violation	Maximum Initial Fine	Additional Fines	Additional Fines
Speeding	\$100.00	\$150.00	\$200.00
Illegal Parking	\$100.00	\$150.00	\$200.00
Commercial / Recreational Vehicles	\$100.00	\$150.00	\$200.00
Vehicle Repair	\$100.00	\$150.00	\$200.00
Signs / Holiday Lights	\$100.00	\$150.00	\$200.00
Appearance and Maintenance of Lot	\$100.00	\$150.00	\$200.00
Animals	\$100.00	\$150.00	\$200.00
Nuisances	\$100.00	\$150.00	\$200.00
Design Construction without Approval	\$250.00	\$500.00	\$500.00
Improper Disposal	\$100.00 + removal fee	\$150.00 + removal fee	\$200.00 + removal fee
Vandalism	\$100.00 + removal fee	\$250.00 + removal fee	\$500.00 + removal fee
Driving or Parking on any non vehicle areas	\$250 + vehicle towed	Fine set by the Board of Directors	Fine set by the Board of Directors
Water Restriction Access Denied	\$200.00	\$200.00	\$200.00
Other Violations	Fine set by Board of Directors		

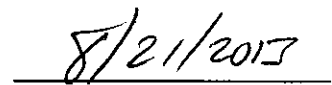
**Any vehicle in violation of the parking rules will be subject to be towed immediately after proper notice at the owner's expense.**

## VIOLATION APPEAL PROCESS

- When a violation notice is sent to a homeowner, the notice includes a statement notifying the homeowner that they have the **"RIGHT OF APPEAL"**.
- When a homeowner wants to appeal a violation, they must send the Management Company written notice that they are requesting an appeal of the violation.
- Appeals shall be received within ten (10) days of the date of the fine notification (violation letter).
- Appeals shall demonstrate *extenuating circumstances* which require deviation from the CC&R's and/or guidelines.
- Appeals shall include all pertinent backup information to support the existence of the *extenuating circumstance*.
- All decisions of the Board are final and may not be further appealed.
- Any appeal that does not meet the above requirements shall be heard by the Board and shall be considered **DENIED**.
- The homeowner appealing the violation will be given written notice that the appeal is scheduled.
- The appeal may be heard in Executive Session.
- The Board President or facilitator will introduce all parties.
- Lengthy discussions are not a part of an appeal process.
- The homeowner who is appearing will be asked to state their case and present any documentation that is applicable.
- Each Board Member will have the opportunity to ask the homeowner specific questions regarding the appeal.
- Upon completion of the question and answer period, the Board President or facilitator will state that the appeal has been heard and the Board will make their decision in closed session. Then "Written Notice" will be given to the homeowner of the Board's decision within seven (7) to ten (10) working days.
- If the appeal is denied, the homeowner must bring the violation into compliance within fifteen (15) days. If the violation still exists after fifteen (15) days, the homeowner will be fined every fifteen (15) days until the violation is corrected. In addition, the Board of Directors may seek legal action to remedy the violation. All costs of legal action will be billed to the homeowner and collected in the same manner as assessments.



Signature of Board Member



Date