Rancho Santa Fe Homeowners Association

CC&R Violation Enforcement Policy

Effective Immediately

Rancho Santa Fe Homeowners Association has established the following Covenants, Conditions and Restrictions ("CC&Rs") Violation Enforcement Policy ("Enforcement Policy") to address for violations of the CC&Rs and to impose and collect any applicable monetary penalties for continuing violations. This Enforcement Policy is part of the Association Rules and is subject to amendment or modification at any time by majority vote of the Board. This Enforcement Policy is adopted in accordance with Arizona's Planned Communities Act, Arizona Revised Statues 33-1801 through 33-1818, the provisions of the CC&Rs and Project Documents, as currently in force and effect.

First Violation Notice

The Association will send a First Class USPS letter to the Owner of the property or the Owner's designated Agent ("Agent") for the property outlining the violation of the CC&Rs. The Association will provide the Owner with fourteen (14) calendar days to bring the violation into compliance.

Second Violation Notice

The Association will send a second letter sent via USPS First Class Mail notifying the Owner or Agent that an initial monetary penalty including postage and processing fee has been assessed This second letter will also state that, if the violation continues for an additional fourteen (14) calendar days, the Association will assess an additional monetary penalty. The Association will not send a letter to the Resident, if the Resident is not the Owner. All letter fees are the responsibility of the Owner.

Third Violation Notice

The Association will send a third letter sent via USPS Certified Mail to the Owner and may send a copy via First Class Mail to the designated Agent of the Owner. This letter notifies the Owner or Agent that an additional monetary penalty including Certified Mailing Fee has been assessed to the account. This letter will also include the Account Balance as of the date of the letter.

The Third Violation Notice will state that continued violations may result in additional monetary penalties, possible legal action and legal costs being assessed against the Owner. This letter will offer an Opportunity to be Heard (see below). If the Owner does not respond, requests to be heard and/or does not correct the violation, then, after fourteen (14) calendar days, the Association may take the following action:

1. If an Owner's delinquent account is under \$500, the Association will send a USPS First Class Mailing every 14 days, identifying the account balance and offering the opportunity for a hearing The Association will continue to assess monetary penalties each month until the violation is corrected, or the account is turned over to Collections or a Collection Agency.

2. If an Owner's account balance is \$500 or more, the Association may cause the account to be turned over to Collections or a Collection Agency. The Association will continue to assess monetary penalties until the violation is corrected.

Discretion of the Board

Notwithstanding any provision in this Enforcement Policy to the contrary, the Board of Directors, in its sole discretion, may determine that an issue needs legal involvement and therefore has discretion to forward any compliance matter to its attorneys irrespective of where that owner is in the notification process above.

Certified Mailing Fee

In addition to the monetary penalties, the Association will assess a fifteen (\$15.00) dollar certified mailing fee for each certified mailing per violation.

The following applies to those accounts not forwarded for Collections:

The Association will send additional notices, and the Association will assess monetary penalties if the Owner does not correct the violation.

Should a period of time of at least three months (90 days) lapse between violation letters, the next letter will be a First Notice again.

Health, Safety and Welfare

The Association will take immediate action on any violation that the Board determines would affect the health, safety and welfare of the Association or Association Members.

Prohibition of Medical and/or Non Medical Marijuana Use

Members and their guests shall not smoke or use in any other form, medical and/or non-medical marijuana on the Common Areas including any facilities located on the Common Areas. Authorities will be notified if marijuana is observed on the Common Areas.

Opportunity to be Heard

Grievances (Statement of Defenses) arising from, or an appeal of, any violation notice and/or monetary penalty must be addressed in writing to the Board of Directors of the Association, dated and signed by an Owner or designated Agent, and sent via Certified Mail per ARS 33-1803(C) to the Association within twenty-one (21) calendar days of receipt of the written notice of violation. Upon receipt of request for a hearing, the Association will schedule a date and time to hear the Owner or Agent's grievance. A scheduling notice will be sent to the Owner/Agent at least seven (7) calendar days prior to the date of the hearing. Decisions of the Board are final in all cases.

SCHEDULE OF MONETARY PENALTIES

Violation Type and Monetary Penalty Amount

VIOLATION	Second Letter	Continued Offense
Signs/Holiday Lights, Trash Containers Items in View	\$ 25.00 \$ 25.00	\$ 50.00 \$ 50.00
Animals/Pets	\$ 25.00	\$ 50.00
Landscaping-weeds, grass, shrubs, trees, etc.	\$ 25.00	\$ 50.00
Appearance Basketball Structures	\$ 25.00 \$ 25.00	\$ 50.00 \$ 50.00
Parking-Vehicle,	\$ 50.00	\$ 100.00
Vehicle Repair on Property or in the Street	\$ 50.00	\$ 100.00
RV, RV Trailer/Utility Trailer Parking	\$ 75.00	\$ 150.00 \$ 200.00
Changing House colors without Approval Design/Construction	\$ 150.00 \$ 150.00	\$ 200.00

IN WITNESS WHEREOF, the undersigned has executed this Enforcement Policy as of

Petra Adams, President

For the Board of Directors

Rancho Santa Fe Homeowners Association