



SECTION 2

Enforcement Policy and Guidelines



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 implementation 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.

Informal Reminder

If a situation arises in which a rules violation has been identified, it is anticipated that the association or its agent will informally contact the homeowner to discuss the nature of the violation and the corrective measures required to cure it within a reasonable timeframe prior to sending a written first notice.

First Notice

A written first notice will be sent to the owner of the property outlining the rules violation. In the event 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, it is anticipated that a fee of forty (40) dollars will be assessed. Per ARS 32-2199.01, this letter and all subsequent violation notices will state that the owner may petition the Arizona Department of Real Estate for an administrative hearing.

Second Notice

A written second notice will be sent if the owner has not complied with the first notice, or if, in the determination of the Association, the rules violation has returned or has been repeated. The second notice will inform the owner that a forty (40) dollar fee has been assessed. The second notice will also include a warning that, at the discretion of the Association's Board of Directors, if the violation is not cured or other arrangements are not

made with the Association within fourteen (14) calendar days from the date of the second notice, it is anticipated that an additional fee of sixty-five (65) dollars will be assessed.

Third Notice

A written third notice will be sent if the owner has not complied with first and second notices or if the rules violation has returned or has been repeated. The third notice will inform the owner that an additional fee of sixty-five (65) dollars has been assessed. The third notice will also inform the owner that it is anticipated the Association's Board of Directors will assess an additional one hundred (100) dollar fee or take other action with regard to the violation as it deems appropriate and as contemplated by the CC&Rs and/or Arizona law. If the Association's Board of Directors determines that further 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.

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&Rs and related documents. Before any fee is assessed or other action is taken, an owner has the opportunity to request a hearing before the Canyon Heights Board of Directors. Such requests must be submitted in writing and within a reasonable timeframe.