

VILLA DE CORTEZ HOMEOWNERS ASSOCIATION, INC.

RULES AND REGULATIONS CC&R VIOLATION AND ENFORCEMENT POLICY

Villa de Cortez Homeowners 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 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.

First Notice

A letter 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 violation letter may also be sent to the tenant at the property address. The Owner will be given twenty-one (21) calendar days to bring the violation into compliance. The First Notice shall include a warning that if the violation is not cured within twenty-one (21) days that a monetary penalty of twenty-five (25) dollars shall 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 and Assessment of Initial Monetary Penalty

The Association will issue a second Notice if the Owner has not complied with the first Notice, or if the violation has returned or has been repeated. The second Notice will inform the Owner that the Initial Monetary Penalty, in the amount of twenty-five (25) dollars has been imposed. This letter shall also tell the Owner that if the violation is not cured within twenty-one (21) calendar days that a monetary penalty of \$50.00 will be assessed. The Owner will also be responsible for any certified letter processing fees.

Third Notice and Assessment of Additional Monetary Penalty

The Association will assess an Additional Monetary Penalty, in the amount of fifty (50) dollars, if the Owner has not corrected or removed the violation as stated in the time frames in the first and second Notice, or if the violation has returned or has been repeated. The Owner will also be responsible for any certified letter processing fees. This letter shall also provide that if the violation is not cured within twenty-one (21) days, that all subsequent fines shall be one hundred (100) dollars upon each subsequent inspection where it is found that the violation is still not cured.

Additional Monetary Penalty

After the imposition of the Initial Monetary Penalty and the Additional Monetary Penalty, another monetary penalty, in the amount of one hundred (100) dollars (the Maximum Additional Monetary Penalty), may be imposed upon subsequent inspection, if the Owner has not corrected or removed the violation, or if the violation is repeated or has returned. Inspections will be conducted to coincide with the terms of the notices. The Owner will also be responsible for any certified letter processing fees.

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 at 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

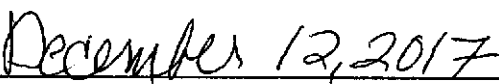
The Association has the right (but not the obligation) to enter the Owner's property and to provide all maintenance and repairs that are necessary to remove the violation. Entry by the Association and any of its agents is not an actionable trespass. The Association may assess the Owner for the costs 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 timely written request for a hearing. If the hearing is scheduled, and attended, the Owner is bound by the decision of a majority of the Board.



For Villa de Cortez Homeowners Association, Inc.



Date