

SADDLE VIEW COMMUNITY ASSOCIATION RULES, REGULATIONS, AND DEVELOPMENT STANDARDS

INTRODUCTION

The Declaration of Covenants, Conditions, Restrictions and Easements (the "Declaration"), which applies to all the property administered by Saddle View Community Association (the "Association") and Arizona law empowers the Board of Directors (the "Board") to adopt reasonable rules and regulations aimed at restricting and governing activities in our community and to enforce those rules and regulations.

The Board of Directors may retain a management company to assist in operating the Association. This company will be an agent of the Association ("Saddle View Agent"). At any time that the Board has not retained a Saddle View Agent, all references herein to the Saddle View Agent shall be deemed to be to the Board of Directors.

These rules are not intended to control the lives of the Association members unreasonably. Rather, they were created to prevent any individual homeowner from creating conditions on his or her Parcel which could adversely impact other homes or residents in our Development or could negatively impact the safety of our neighborhood. In fact, many of the rules set forth herein are merely restatements of limitations contained in the Declaration. Those rules are included here to make it easier for the homeowners by enabling them to look primarily to one document to determine what activities are restricted.

Part I of this document sets forth specific restrictions that are applicable to the use of all the properties in Saddle View (the "Development"). These restrictions either arise directly from the Declaration or constitute rules and regulations that the Board of Directors has adopted.

Part II of this document sets forth the Association's monetary penalty categories and the monetary penalties applicable to the violation of the Association's Rules and Regulations.

Part III of this document summarizes the sanctions and remedies that the Association may impose against homeowners in the event they violate any of these rules and regulations or any of the other Association's Project Documents and sets forth the complaint and violation process followed by the Association. It also sets forth an appeal process to ensure that homeowners are allowed to be heard prior to the imposition of certain sanctions.

Part IV of this document summarizes the complaint and violation notification processes to be followed by the Association.

You should read this entire document carefully and be aware of your rights and obligations as a member of the Development.

In the event of a conflict between a provision hereof and a provision of the Declaration, the provision of the Declaration shall prevail. Nothing contained herein shall be deemed to limit the applicability of the provisions of the Declaration. Capitalized terms used herein and not otherwise defined shall have the meaning given to those terms in the Declaration.

SADDLE VIEW COMMUNITY ASSOCIATION RULES, REGULATIONS, AND DEVELOPMENT STANDARDS

The Board may, in its sole discretion, amend, repeal, or augment these Rules and Regulations as it deems appropriate, subject, of course, to the terms of the Association's Project Documents and applicable law. It is the responsibility of each Owner to obtain and adhere to the stipulations of the most recent copy of these Rules and Regulations. The Board retains the right to grant variances from these Rules and Regulations as determined appropriately in its sole discretion.

PART I – RULES, REGULATIONS, AND DEVELOPMENT STANDARDS

CATEGORY “A” RULES

1 - Holiday Decorations / Lighting

Holiday decorations are permitted to be installed temporarily without approval from the Architectural

Committee. Such decorations shall be installed no earlier than thirty (30) days before the subject holiday and shall be removed no later than twenty (20) days after such holiday. All lighting associated with holiday decorations shall be turned off by 11:00 p.m. each evening.

2 - Parcel Maintenance

Each Parcel Owner shall at all times maintain the yard, landscaping, and the exterior of the structures thereon in neat and clean condition and repair. Any damage or destruction to the Parcel or structures thereon that are visible from neighboring property shall be promptly repaired. Driveways should be maintained in a suitable condition for passenger car travel and have dust-free, hard surfaces. *Be Firewise*, grass and weeds to be no taller than 6” on improved Parcel.

3 - Lawn and Roof Ornaments

No lawn or roof ornaments or other decorative items over 36” tall visible from neighboring properties are permitted without the prior approval of the Architectural Committee.

4 – Fencing and Privacy Screening

All fencing shall be approved by the Architectural Committee and is subject to County permitting. All perimeter fencing shall be no more than 60” in height and follow the types described in Second Amendment to Declaration, Section 2.5. Privacy Screening is allowed on all non-roadway adjacent perimeter fencing, and at a maximum of three perimeter lengths. 100% perimeter coverage is not permitted. Current approved colors are medium-dark brown and gray.

SADDLE VIEW COMMUNITY ASSOCIATION RULES, REGULATIONS, AND DEVELOPMENT STANDARDS

CATEGORY “B” RULES

1 - Glass & Glass Treatments

The installation of non-reflective metallic film (designed to reduce sun and heat) on the inside of windows or doors shall be subject to the approval in writing of the Architectural Committee and shall not have an obtrusive appearance or reflective glare visible on any neighboring Parcel. Reflective glass, reflective foil, or aluminum foil is not allowed on windows. Only drapes, blinds, or shutters will be allowed.

2 - Exterior Lights

The ordinances of Yavapai County, commonly known as the Light Pollution Control (Section 603 C.3.b and 603 C.3.c of the Yavapai County Planning and Zoning Ordinance), as amended from time to time by the Yavapai County Board of Supervisors, are hereby incorporated in this document as though fully set forth herein.

Notwithstanding the foregoing, all exterior light fixtures shall be subject to the approval of the Architectural Committee, which shall not approve any lighting that has an obtrusive appearance or casts a glare visible on any other Parcel.

3 - Solar Energy and Air Conditioners

All plans for external placement of solar energy and air conditioning equipment shall require approval in writing of the Association’s Architectural Committee. Plans for solar energy and air conditioning equipment should provide for such equipment to be reasonably blended with other improvements so as not to have an obtrusive appearance from any neighboring property or from the street. Free-standing solar panel arrays must be screened from view with an Architectural Committee-approved fence or structure. Solar heating and/or solar water heating systems, panels, or collectors shall be constructed to integrate with the architecture of the structure (i.e., follow the slope of the roof area where they are placed) or be built into the surface to be reasonably flush with the adjacent materials. Tanks and any other auxiliary solar equipment shall be located within the structure or enclosed to screen them from view from adjacent properties or from the street. Notwithstanding the foregoing, such rules will not be enforced by the Association in a manner that will effectively prohibit the use of solar devices.

4 - Flagpole

Installation of a permanent free-standing flagpole will be allowed upon the proper application and approval from the Architectural Committee for a site improvement change, or when submitted and approved with the initial structure application, subject to the following limitations:

- A) The maximum height of a permanent, removable, or free-standing flagpole shall be no higher than the height of the rooftop of the Owner's residence.

SADDLE VIEW COMMUNITY ASSOCIATION RULES, REGULATIONS, AND DEVELOPMENT STANDARDS

- B) The flagpole must be located within the building envelope and may be placed no closer than fifteen feet (15') from the front property line; and
- C) Flagpoles shall have a matte finish of bronze, dark bronze, or another earth tone color with a maximum light reflective value of fifteen (15).

5 - Outside Storage

Recreational Vehicles as defined by Boats, Travel Trailers, Motorhomes, Campers, or other vehicles of similar types. Only the Parcel Owner may store Recreational Vehicles registered to the Parcel Owner on the Owner's Parcel. A maximum combined number of trailers stored on the property is six (6), including two RV's and four (4) utility, horse, boat, or other trailers. Personal property other than barbeques, lawn, and/or deck furniture may not be stored outside of a residence or garage unless totally screened from the view of neighboring properties. Any additional screening shall be attached to an existing home or garage. The Architectural Committee must approve such screened enclosures.

6 - Garbage Pick-up

All garbage and trash must be stored in covered containers in a location not visible from neighboring properties except when placed at the curbside for collection. Garbage containers may not be placed outside before noon on the day prior to the day of pick-up, and containers should be removed by midnight of the day of pick-up. All garbage must be bagged, so it cannot blow about or be scattered by birds or animals.

7 - Obtrusive Materials

Repair materials, tools, lawn equipment, and other temporary or permanent equipment must be screened or stored completely so as not to be visible from your street address or any other Parcel. Ham radio towers must be of the electrically or automatically raised type when in use and lowered from view when not in use.

8 - Nuisances

Pursuant to Section 2.9 of the Declaration, nuisances are not permitted on Parcels. In furtherance of these restrictions, no rubbish or debris of any kind shall be placed or permitted to accumulate upon any Parcel to render any such property in the vicinity thereof unsanitary, unsightly, offensive, or detrimental to any other property in the vicinity thereof or to its occupants. No motor vehicles shall be operated on a Parcel to create a loud or annoying noise, which is hereby deemed a nuisance. No exterior horns, whistles, bells, or other sound devices, except security devices used exclusively for security purposes, shall be located, used, or placed on any Parcel within the Property. Community quiet hours are from 10 pm to 7 am.

9 - Rental of Home

When an Owner decides to rent or lease his or her Dwelling Unit, the Owner shall notify the proposed lessee, tenant, or occupant that the use of the premises is subject to these Rules and Regulations and to the provisions of the Declaration and shall secure a written agreement to

SADDLE VIEW COMMUNITY ASSOCIATION RULES, REGULATIONS, AND DEVELOPMENT STANDARDS

abide by all the provisions of the Declaration and these Rules and Regulations. Failure to abide by the Declaration or these Rules and Regulations shall entitle the Association to initiate appropriate legal action in the name of the Association. The terms of any lease or rental agreement must be for a period of not less than 6 months.

10 - Wildlife Feeding

Arizona State law makes it illegal to feed wildlife in higher-populated urban areas due to the resulting dangers of doing so. These dangers would include human familiarity with predatory animals as well as diseases such as rabies. No ground feeding of any wildlife will be allowed. This includes "quail blocks" and similar items. Aboveground hanging bird feeders are allowed as long as all feed is placed in a container or feeder designed for the specific purpose of feeding birds. No water tanks for wildlife or cows are allowed.

CATEGORY "C" RULES

1 - Repair of Buildings and Painting

Buildings and structures on any Parcel shall at all times be kept in good condition and repair and adequately painted or otherwise finished. No homes and other structures, including fences, may be painted or stained, without prior approval in writing by the Architectural Committee, or may be repainted or re-stained a color different than the color previously approved by the Architectural Committee. The Association requires Owners who intend to repaint or re-stain their homes to obtain the approval of the Architectural Committee. Most neutral and earth tones are acceptable; all outbuildings are to be painted the same color as the Dwelling Unit.

2 - Machinery & Equipment

No machinery or equipment of any kind shall be placed, operated, or maintained upon any Parcel in the Development except such machinery or equipment as is usual or customary in connection with the use or maintenance of a residence, appurtenant structures, or other. Any such permitted machinery or equipment shall be acoustically screened so as not to create an unreasonable or unnecessary noise or vibration audible to neighboring properties.

3 - Auto Maintenance

No repair or maintenance work shall be performed on any motor vehicle or other equipment except wholly within an enclosed garage. Motor vehicles shall not be left standing anywhere on the Property in an inoperative condition. All Motor vehicles other than those stored in the Owner's garage must have current registration. A maximum of one vehicle with business advertising may be visible on your Parcel.

SADDLE VIEW COMMUNITY ASSOCIATION RULES, REGULATIONS, AND DEVELOPMENT STANDARDS

4 - Alteration of Drainages

No Parcel Owner shall alter in any way the drainage areas along the Association roadway, the drainage easements located on the Owner's Parcel, or the natural drainage to adjacent properties without the prior consent of the Architectural Committee.

5 - Garage Sales

Each Owner may have a maximum of two garage sales each calendar year at their home. Any garage sale permitted by this rule shall be held between the hours of 8:00 a.m. and 4:00 p.m. and shall not be held for more than two consecutive days. Individuals holding any such permitted sale must ensure that all signage and parking regulations of the Association and the Town of Prescott Valley are followed.

6 - Single Family Residential Use and Permitted Structures

All Parcels shall be used, improved, and devoted exclusively to residential use. Only site-built Dwelling Units and outbuildings incidentally to residential use shall be permitted on any Parcel. Rental of guesthouses, servants' quarters, or other outbuildings separate from the Dwelling Unit is not permitted.

7 - Compliance with Law

No immoral, improper, offensive, or unlawful use may be made of any Parcel within the Development. Members will comply with and conform to all applicable laws and regulations of the United States and state and local ordinances, rules, and regulations.

8 - Alteration of Parcel or Residence

No building, structure, fence, or wall shall be erected, placed, or altered on any Parcel within the Development until the construction plans and specifications and a plan showing the location of the structure upon the site have been approved by the Architectural Committee. An Owner shall not alter the topographic conditions of his Parcel or create visible scarring of the hills and rocks without the prior consent of the Architectural Committee. No structure or object on a Parcel visible from neighboring properties shall be painted or re-painted a color different than the color approved by the Architectural Committee. Roof flashing and other material that reflects light onto neighboring properties are not permitted.

9 - Outbuildings (Storage Sheds, Barns, Shelters, Garages, Greenhouses)

All outbuildings must be submitted for Architectural Committee approval before construction and in accordance with the following guidelines:

- A. Structures 400 sq ft and over must be County-approved and permitted, on-site constructed of the same framing materials, majority roof type, finishes, colors, and elevations of the primary Dwelling Unit on the Parcel, and shall be constructed only after or while the primary Dwelling Unit is being built. The number of Structures 400 sq ft or over allowed is based on the Total County percentage of Parcel coverage per parcel. (Includes square footage of structures under 400 sq ft) (Please see the table below)

SADDLE VIEW COMMUNITY ASSOCIATION RULES, REGULATIONS, AND DEVELOPMENT STANDARDS

- B. Structures under 400 square feet shall have walls 8 feet tall or less and be designed and colored to match the existing Dwelling Unit (excludes accent roofing and finishes). The number of structures allowed is based on the Total County percentage of Parcel coverage per Parcel (Includes square footage of structures 400 sq ft and over). In the event a Parcel is to be split, the number of outbuilding structures must comply with the new Parcel size percentage allowance, up to and including structure removal. *Ref: Yavapai County Planning and Zoning Ordinance*
- C. No air conditioning, evaporative cooling units, or similar equipment may be mounted, installed, or maintained on the roof of an outbuilding.
- D. All outbuildings must be setback a minimum of 25 feet from any property line and within the building envelope.
- E. The installation of an outbuilding shall not interfere with the grading and drainage of the Parcel.
- F. Any propane tanks associated with Dwelling Units or outbuildings must be buried underground pursuant to CC&R Sec 2.7 and any applicable County codes.

Zoning/Density Regulations (in feet unless otherwise noted)

Dist.	Min Lot Size in Sq. Ft. per dwelling	Min Lot Width and Depth	Min Yard Setbacks				Max Building Height Stories / feet		Max Lot Coverage Percent
			Min Building Spacing is 3 Feet all classes						
			Front	Rear	Interior	Exterior			
7.5	7,500	75	20	25	7	10	2	30	50
10	10,000	80	20	25	7	10	2	30	40
12	12,000	90	20	25	7	10	2	30	40
18	18,000	100	30	30	10	15	2	30	25
25	25,000	130	30	30	10	15	2	30	20
35	35,000	145	40	40	20	20	2	30	15
70	70,000	200	50	50	25	30	2	30	15
2A	87,120	225	50	50	25	30	2	30	10
175	175,000	300	50	50	30	50	2	30	10
5A	217,800	325	50	50	40	50	2	30	10
10A	435,600	500	50	50	50	50	2	30	5
36A	1,568,160	500	50	50	50	50	2	30	5

10 - Metal Outbuilding Policy and Design Standards

Section 1 – Purpose and Intent

The purpose of this policy is to establish uniform standards for the design, appearance, and construction of metal outbuildings within the Association to maintain architectural harmony, protect property values, and preserve the overall aesthetic character of the community.

All metal outbuildings are subject to review and prior written approval by the Architectural Review Committee (ARC).

SADDLE VIEW COMMUNITY ASSOCIATION RULES, REGULATIONS, AND DEVELOPMENT STANDARDS

Section 2 – Applicability

This policy applies to all new construction, replacement, or modification of any metal outbuilding, accessory structure, workshop, storage building, barn, or similar structure within the Association.

Section 3 – Design and Construction Standards

All proposed metal outbuildings shall comply with the following minimum standards:

1. Exterior Colors and Finishes: The exterior colors and finishes shall match or be architecturally compatible with the primary residence.
2. Overhead Doors: Overhead doors shall match the color of the garage doors on the primary residence.
3. Overhangs: Roof overhang dimensions shall match those of the existing residence.
4. Soffits: All soffits shall be fully enclosed.
5. Roof Pitch: The roof pitch shall be a minimum of 2:12 or shall match the roof pitch of the primary residence.
6. Roof Color: The roof color shall match the roof color of the primary residence.
7. Architectural Breaks: An architectural break shall be required every twenty-five (25) feet.
8. Gutters and Downspouts: Gutters and downspouts are required and shall be installed in a manner consistent with the residence.
9. Windows: The minimum window size shall be 4030. Window colors must match the window colors of the residence.
10. Siding Design Consistency: If the primary residence uses board-and-batten siding, the metal outbuilding shall replicate the same board-and-batten design to maintain architectural consistency.

Section 4 – Submittal and Approval Requirements

Before construction, the Owner must submit a complete application package to the ARC, which shall include, at a minimum:

- Site plan showing building location and setbacks
- Building elevations

SADDLE VIEW COMMUNITY ASSOCIATION RULES, REGULATIONS, AND DEVELOPMENT STANDARDS

- Detailed construction plans
- Material specifications
- Color samples
- Grading and drainage plan
- At least one physical material sample

Construction may not begin until written approval is granted by the ARC.

Section 5 – Compliance and Enforcement

Failure to comply with this policy may result in enforcement action as provided for in the Association's governing documents, including but not limited to fines, corrective action, or removal of non-compliant structures.

11 - ATV/UTV Use

All ATV/UTV users shall comply with Title 28 of the Arizona Revised Statutes relating to licensing, registration, and vehicle safety guidelines. Those statutes may be viewed by visiting the Arizona State Legislature's website at: <http://www.azleg.gov>. No Person under the legal age requirement is permitted to operate an ATV/UTV or similar motorized vehicle on the private roads or areas of Association responsibility. No Person shall operate an ATV/UTV on the private roads or areas of Association responsibility in a manner that may endanger any other Person within the Association or damage any Dwelling Unit or Improvement within the Association.

PART II - MONETARY PENALTY POLICIES AND MONETARY PENALTIES

Pursuant to the Association's Declaration and Bylaws, the Board is given the power to impose reasonable monetary penalties for a violation of any provision of the Association's Project Documents, including, without limitation, the Declaration and these Rules and Regulations. In adopting the above-stated Rules and Regulations, the Board has determined that a certain number of the Rules and Regulations are similar in nature and has categorized them as set forth above. At the same time, the Board has adopted penalties applicable to the violation of Rules and Regulations in each of those categories. The Board has concluded that the monetary penalties indicated for each category are reasonable and are reasonably related to the specific violations of the Rules and Regulations in each category.

SADDLE VIEW COMMUNITY ASSOCIATION RULES, REGULATIONS, AND DEVELOPMENT STANDARDS

CATEGORY A RULES The monetary penalty for violations of Category A Rules and Regulations is \$10.00 per day.

CATEGORY B RULES The monetary penalty for violations of Category B Rules and Regulations is \$25.00 per day.

CATEGORY C RULES The monetary penalty for violations of Category C Rules and Regulations is \$50.00 per day.

In the event Owner or Occupant violates the same rule within any category within 365 days of a prior violation of the same rule, the monetary penalty for the violation of such rule will be double the monetary penalty as set forth above for each day the second violation continues.

PART III - SANCTIONS AND REMEDIES

Each Owner and Occupant of a Dwelling Unit is governed by and must comply with the provisions of the Project Documents and such amendments thereto as may be made from time to time. Upon failure by a member to comply with the Project Documents, the Association's remedies are not limited to the imposition of monetary penalties. In addition, the Association may be entitled to avail itself of all the remedies available to it by law, including, without limitation, the following:

1 Entitlement to Relief

The Association may commence legal action to recover sums due for damages, injunctive relief, lien foreclosure, or any combination thereof, or any action for any other relief authorized by the Project Documents or available at law or in equity. In no case may any Owner withhold any Assessment due and payable to the Association or take (or omit) other action in violation of the Project Documents, as a measure to enforce such Owner's position, or for any other reason. These rights and remedies are not limited in any way by any other rights or remedies granted to the Association in the Project Documents or by law.

2 Sanctions and Remedies

In addition to any other remedies or sanctions, express or implied, administrative, or legal, the Association shall have the right, but not the obligation, to implement any one or more of the following actions against Owners and Occupants who violate (or whose families, guests, or lessees violate) the provisions of the Project Documents. The Association shall comply with all applicable notice statutes before taking any such actions.

- A. Impose a reasonable monetary penalty for each day a violation of the Project Documents continues, other than for delinquent assessment payments.

SADDLE VIEW COMMUNITY ASSOCIATION RULES, REGULATIONS, AND DEVELOPMENT STANDARDS

- B. Impose interest charges of eighteen percent (18%) per annum on any delinquent monetary penalty assessed and any costs (including reasonable attorneys' fees) incurred by or on behalf of the Association in collecting the same (which shall be paid by the Owner). Monetary penalties shall be deemed to be delinquent if not paid within fifteen (15) days after the due date.
- C. Impose a late fee penalty (in addition to interest) for delinquent monetary penalty payments of Fifteen Dollars (\$15.00) or 10% of the unpaid amount, whichever is higher. The Saddle View Agent may also assess collection fees and costs.
- D. Enter any Parcel, upon 24 hours' notice and between the hours of 8:00 a.m. and 5:00 p.m., and remedy any condition which the Owner or Occupant has caused or allowed to exist in violation of the Project Documents and assess the cost thereof against the Owner and the Parcel. Such right of entry shall be limited to any exterior area of a Parcel subject to the Project Documents and may include correcting property maintenance or architectural violations or the towing of vehicles parked in violation of the Project Documents. Any such entry upon a Parcel pursuant to this section shall not be deemed a trespass.
- E. Foreclose any lien arising under the provisions of the Project Documents or under law, in the manner provided by the Declaration and by applicable law.

3 Rights to Hearing

In the case of imposition of any monetary penalty, the Board must be mailed or delivered to the Owner against whom the monetary penalty is sought to be imposed, written notice specifying the general nature of the violation, the monetary penalty to be imposed, the effective date of such imposition, and the process to contest the monetary penalty. This notice must be delivered at least ten (10) days before such effective date. The Owner has the right, upon written request delivered to the Board within the foregoing ten (10) day period, to a hearing before the Board. The Board will set the hearing at a reasonable time and place, with reasonable notice to the parties involved. The Board has established uniform and fair rules for the conduct of such a hearing, including, without limitation, the right of interested parties to appear and be heard. If a hearing is requested, the monetary penalty imposed will not take effect until the hearing is completed or the matter is otherwise resolved by mutual agreement of the Board and the people against whom the monetary penalty is sought, whichever event occurs first. If the person or persons against whom the monetary penalty is sought do not appear at their duly notified hearing, the monetary penalty imposed may be enforced forthwith. The decision of the Board for the conduct of hearings established by the Board shall be final and binding on all parties. The rights bestowed upon Owners by this Section 3 shall be the sole and exclusive monetary penalty of such Owners with respect to the matters covered by this rule, except as may be otherwise specifically authorized by the Project Documents and applicable law.

SADDLE VIEW COMMUNITY ASSOCIATION RULES, REGULATIONS, AND DEVELOPMENT STANDARDS

4 Costs of Proceedings and Attorneys' Fees

The Association is entitled to recover the entirety of its costs, expenses, and all attorneys' fees and costs, if any, in the collection of all monetary penalties.

PART IV - COMPLAINT AND VIOLATION NOTIFICATION PROCESS

The formal procedure for dealing with violations of the Association's Project Documents is as follows:

1 Complaints

Any Owner, Board member, or agent of the Association may file a complaint against another Owner or Occupant for violation of any provision of the Association's Project Documents by the Owner, Occupant or their family, tenants, or guest. A complaint must be in writing, must be signed (unless submitted via e-mail) dated and must include a description of the alleged violation and the identity of the alleged violator, if known, and the first and last name of the person who observed the violation. A complaint is considered filed when a Board member or the Saddle View Agent receives the written complaint. A copy or record of all complaints shall be provided to the Saddle View Agent. A copy or record of all complaints shall be provided to the Board. The Association will not accept anonymous complaints.

2 Investigation and Letters

Upon receipt of a complaint, the Board or the Saddle View Agent shall take the following action:

- A) Investigate the complaint to confirm that there is reason to believe that the conditions complained about actually exist.
- B) A member of the Board or the Saddle View Agent shall immediately attempt to contact the Owner or Occupant and try to resolve the complaint informally. If the alleged violation is resolved informally, a copy of the associated documentation will be provided to the Saddle View Agent, and no further action will be required.
- C) If the complaint is not resolved informally, the Saddle View Agent shall cause a letter to be sent to the Owner or Occupant formally notifying the Owner or Occupant of the violation. The letter shall request that the violation be ceased or cured within such period as determined appropriate by the Board and include a date when the property will be inspected for compliance with such request. The Saddle View Agent shall conduct the follow-up inspection on the date indicated in the letter. If that inspection discloses that the violation has ceased or has been cured, the Saddle View Agent shall send the Owner or Occupant a letter confirming such satisfactory resolution of the Complaint and shall document in writing for the related Parcel file what the alleged violation was and how the issue was resolved.

SADDLE VIEW COMMUNITY ASSOCIATION RULES, REGULATIONS, AND DEVELOPMENT STANDARDS

D) If the violation specified in the letter sent pursuant to Section 2(C) above is not timely corrected, then the Saddle View Agent will send a written Notice of Violation (NOV) to the offending Owner or Occupant. The NOV will (i) notify the Owner or Occupant that the monetary penalty will be assessed and (ii) request the member to show evidence either visually or in writing that the violation has been corrected. The NOV shall contain at least the following: (i) the provision of the community documents that has allegedly been violated, (ii) the date which the violation was observed, (iii) the first and last name of the person who observed the violation, (iv) the amount of the monetary penalty to be paid by the Owner or Occupant for such violation, or if the NOV is a warning that a monetary penalty will be imposed if the member does not cease the subject violation, then the amount of the monetary penalty that may be imposed, and (v) a statement advising the Owner or Occupant of their right to an appeal. The Saddle View Agent will keep a copy of the notice on file.

3 Monetary Penalties

In the event the Board imposes a monetary penalty on the Owner or Occupant regarding to the violation, and by its terms such monetary penalty will continue to accrue on a daily or other periodic basis, that accrual shall continue to accrue until the later of (i) the date the Owner or Occupant notifies the Board that the violation has ceased or been cured or (ii) the date the violation is actually ceased or cured. Upon its receipt of notice from the Owner or Occupant that the violation has ceased or been cured, the Board shall conduct a timely follow-up inspection to confirm that the violation has ceased or been cured. If that inspection discloses that the violation has ceased or been cured, the Board shall (i) stop accrual of the monetary penalty as of the date it received the notice, (ii) send the Owner or Occupant a letter confirming such satisfactory resolution of the complaint, and (iii) document in writing for the related Parcel file how the violation was resolved. If that inspection discloses that the violation has not ceased or been cured, the Board shall send the Owner or Occupant a letter notifying the member of the continuing violation and that the monetary penalty will continue to accrue.

4 Legal Action

The Board may take immediate legal action or any other enforcement action permitted by law or the Project Documents (i.e. self-help, suspension of voting rights, suspension of use rights, etc.) at any time, regardless of the presence or absence of notices or fines provided for in these rules, for any violation that the Board of Directors determines in its discretion requires immediate legal action or other enforcement action.

5 Enforcement and General

Any monetary penalties imposed by the Board hereunder shall be payable by the Owner and shall be enforceable by the Association in accordance with the Association Project Documents and applicable Arizona law. This Complaint Process and the actions of the officers, directors, and agents of the Association in compliance herewith are governed by, and subject to, the terms of the Project Documents of the Association. In the event of any conflict

SADDLE VIEW COMMUNITY ASSOCIATION RULES, REGULATIONS, AND DEVELOPMENT STANDARDS

between the terms hereof and the terms of the Project Documents of the Association, the terms of the Project Documents of the Association shall govern.

The Board retains the right to amend these terms from time to time as it deems appropriate, subject to the terms of the Association's Project Documents and applicable law. Further, this process is intended only as guidelines for the Board. The Board may vary from this process as determined appropriate by the Board in its sole discretion.