

Arrowhead Canyon Estates HOA Enforcement Policy

Any Arrowhead Canyon Estates (ACE) home owner, or their authorized agent, may initiate a violation complaint by making a report in writing to the Board or ACC. If the Board of Directors (Board), the ACC, or its authorized agent, determines a violation of the governing documents has occurred, the following actions will be taken:

Process

First Notice: A Courtesy Letter shall be sent to the home owner explaining the nature of the violation and the action required to correct the violation. The Courtesy Letter will explain to the owner that the costs of additional notices or enforcement will be charged to them as a limited assessment. Contact information will be included for the Home owner to contact an association agent regarding the notice, if needed. Home owners will be given thirty (30) days to correct Major Violations, fifteen (15) days to correct Minor Violations, or three (3) days to correct Temporary Violations. There will be no charge for a Courtesy Letter.

Formal Action: If the home owner fails to correct the violation within the time given in the Courtesy Letter, a Notice of Formal Action will be sent to the home owner. This notice will give the home owner ten (10) days to request, in writing, a hearing by the ACC or the Board (at the Board's discretion). This notice shall include a listing of the amount incurred to date by the Association that will be assessed to the home owner, shall demand immediate correction of the violation, and shall explain that in as little as ten (10) days additional legal action may be taken at the home owner's expense.

Hearing: If an owner timely requests a hearing, a hearing by the ACC or the Board shall be set wherein the owner may appear and be heard to explain why he or she should not be required to correct the alleged violation, and why he or she should not be required to pay for the violation costs to date. If a hearing for a Major Violation has been held by the ACC, an owner may request in writing within ten (10) days following the hearing for the Major Violation to be heard by the entire Board.

Limited Assessment: When ten (10) days pass after the Notice of Formal Action, if no hearing is requested, or immediately after a violation is upheld in a hearing or on appeal, the costs incurred to date shall be assessed against the homeowner property. These costs may include administrative costs. Additional costs will be assessed against the homeowner's property as they are billed to the Association.

Final Notice: Immediately after the limited assessment, a final notice shall be sent to the homeowner. This final notice shall tell the owner that, unless the violation is corrected within ten (10) days, the account will be turned over for legal enforcement at the owner's expense. The final notice should state an updated balance of limited assessments owed by the owner, and include contact information for an agent of the Association.

Classification of Violations: The Board or the ACC may determine if a violation is a Major Violation based on the estimated cost of correcting the problem. An example would be re-painting a house. A Minor Violation is one which can be quickly corrected, such as by mowing a lawn. A Temporary Violation is one which can be quickly corrected and quickly resumed, such as the regular parking of trailers.

Reoccurring Violation Action: Violations which are remedied, but reoccur within 30 days will be treated as the same violation and subject to whatever stage in the violation remedy process was in place prior to the initial remedy. Three Temporary Violations within a 12-month period will be treated as a Minor Violation requiring permanent solution by the homeowner, for example, by providing proof of a permanent parking space. The Board will have sole discretion in determining how to classify each reported violation.

Unpaid Assessments: If a homeowner corrects a violation after Formal Action, but fails to timely pay the limited assessment, the cost will be added to the property assessment balance. If the balance is large enough and remains for a long enough time, it will be sent for collection action under the Association's Collection Resolution.

Legal Costs: Once a violation has been sent to the Association's legal counsel for enforcement, the attorney fees and costs will be immediately assessed against the violating property. These costs can vary, so it is important to resolve violations before this stage. The attorney will be directed to send two written notices to the owner, at the owner's expense, prior to filing a lawsuit, also at the owner's expense.

CC&R Authority:

This policy is authorized by the **MASTER DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS OF ARROWHEAD CANYON ESTATES HOMEOWNER'S ASSOCIATION, INC. (For Eyrie Canyon Subdivisions No. 1,2 &3)**
Recorded: 106150997 in the following specific sections:

- **ARTICLE VI- ARROWHEAD CANYON ESTATES HOMEOWNERS INC.**
 - Section 6.07 (a), (b), (c), and (e)
 - Section 6.08 (i)
- **ARTICLE VII- ASSOCIATION PROPERTIES**
 - Section 7.01 (c)
 - Section 7.03
- **ARTICLE VIII- ASSESSMENTS**
 - Section 8.01
 - Section 8.04 (a), (b), and (c)
- **ARTICLE IX- ENFORCEMENT OF ASSESSMENTS**
 - Section 9.01
 - Section 9.04
 - Section 9.08
- **ARTICLE XI- ARCHITECTURAL CONTROL COMMITTEE**
 - Section 11.11
 - Section 11.13

Adopted by the Board on the _____ of December, 2012.

President

Secretary