

**ESTATE LOS ARBOLES IMPROVEMENT ASSOCIATION
RULES AND REGULATIONS**

A. ASSESSMENTS

Assessments are paid on an annual basis. Payment is due on the 1st day of December, each year. The following is the schedule and procedure for delinquent accounts:

<u>DATE</u>	<u>DESCRIPTION</u>
November 1	annual assessment invoices are mailed
December 1	assessments are due
December 15	Notices are mailed advising that assessments are delinquent
December 30	Second notices are mailed advising that a lien has attached to delinquent assessment property
January 30	Third notices are mailed advising of intent to take further legal action

B. PENALTIES AND PROCEDURES FOR DELINQUENT ASSESSMENTS

1. A late charge equal to 10% of the assessment amount shall be assessed on any unpaid assessments fifteen (15) days following the due date.

2. If the Association is required to record a lien or take further action to collect assessments due from an Owner, the Owner shall be responsible for all delinquent and current assessments, collection charges, late charges, recording costs and legal fees and expenses.

C. GENERAL FINES AND PENALTIES

Any infraction of the Declaration of Restrictions for Estate Los Arboles or these Rules and Regulations, unless a different fine or penalty is specifically set forth, may result in a fine against the Owner and possible further penalties as follows:

Warning Notice -- Owner is put on notice by the Board of violation with a thirty (30) day period to correct such violation. In the event of an emergency, the violation will have a shorter time frame to be corrected, as deemed reasonable by the Board under the circumstances.

Second Notice -- If an Owner has not corrected a violation within the warning notice period and any applicable appeal by Owner, notice is given that a \$100 fine will be applied to the Owner's assessment account.

Third Notice -- A \$200 fine will be applied to the Owner's assessment account and/or Owner's rights will be suspended in the event of either or both of the following:

1. If an Owner has not corrected a violation for which a second notice has been provided within 30 days after the second notice.
2. If the same violation reoccurs after the prior violation is corrected.

Fourth Notice -- A \$300 fine will be applied to the Owner's assessment account and/or Owner's rights will be suspended in the event of either or both of the following:

1. If an Owner has not corrected a violation for which a third notice has been provided within 30 days after the third notice.
2. If the violation reoccurs two or more times after the initial violation is corrected.

All Owners have the right to appeal and to be heard by the Board of Directors for any violation if written appeal is submitted to the Board of Directors within 30 days following the date of the warning notice. A late charge equal to 10% of the fine amount shall be assessed on any unpaid fines.

D. CONSTRUCTION RELATED VIOLATIONS

Any infraction of Paragraph 10, 11, 12, 15, or 18 of the Declaration of Restrictions for Estate Los Arboles or Paragraph F.8. of these Rules and Regulations, may result in a fine against the Owner and possible further penalties as follows:

Warning Notice -- Owner is put on notice by the Board of violation with a thirty (30) day period to correct such violation. In the event of an emergency, the violation will have a shorter time frame to be corrected, as deemed reasonable by the Board under the circumstances.

Second Notice -- If an Owner has not corrected a violation within the warning notice period and any applicable appeal by Owner, notice is given that a \$500 fine will be applied to the Owner's assessment account.

Third Notice -- A \$1000 fine will be applied to the Owner's assessment account and/or Owner's rights will be suspended in the event of either or both of the following:

1. If an Owner has not corrected a violation for which a second notice has been provided within 30 days after the second notice.
2. If the same violation reoccurs after the initial violation is corrected.

Fourth Notice -- A \$1500 fine will be applied to the Owner's assessment account and/or Owner's rights will be suspended in the event of either or both of the following:

1. If an Owner has not corrected a violation for which a third notice has been provided within 30 days after the third notice.
2. If the violation reoccurs two or more times after the initial violation is corrected.

All Owners have the right to appeal and to be heard by the Board of Directors for any violation if written appeal is submitted to the Board of Directors within 30 days following the date of the warning notice. A late charge equal to 10% of the fine amount shall be assessed on any unpaid fines.

E. VIOLATION OF SHORT-TERM RENTAL RESTRICTION

Any infraction of Paragraph 6 the Declaration of Restrictions for Estate Los Arboles or Paragraph F.1. of these Rules and Regulations, may result in a fine against the Owner and possible further penalties as follows:

Warning Notice -- Owner is put on notice by the Board of violation with a thirty (30) day period to correct such violation. In the event of an emergency, the violation will have a shorter time frame to be corrected, as deemed reasonable by the Board under the circumstances.

Second Notice -- If an Owner has not corrected a violation within the warning notice period and any applicable appeal by Owner, notice is given that a \$1000 fine will be applied to the Owner's assessment account.

Third Notice -- A \$2000 fine will be applied to the Owner's assessment account and/or Owner's rights will be suspended in the event of either or both of the following:

1. If an Owner has not corrected a violation for which a second notice has been provided within 30 days after the second notice.
2. If the same violation reoccurs after the initial violation is corrected,

Fourth Notice -- A \$5000 fine will be applied to the Owner's assessment account and/or Owner's rights will be suspended in the event of either or both of the following:

1. If an Owner has not corrected a violation for which a third notice has been provided within 30 days after the third notice.

2. If the violation reoccurs two or more times after the initial violation is corrected.

All Owners have the right to appeal and to be heard by the Board of Directors for any violation if written appeal is submitted to the Board of Directors within 30 days following the date of the warning notice. A late charge equal to 10% of the fine amount shall be assessed on any unpaid fines.

F. EXAMPLES OF VIOLATIONS OF DECLARATION

The Board of Directors has reviewed the Declaration and advises that the following are some examples of the violations under the terms of the Declaration. It is each owner's responsibility to review the Second Amended Declaration of Restrictions for Estate Los Arboles for a complete list of covenants.

1. Paragraph 1 of the Declaration provides that all the lots within Estate Los Arboles subdivision shall be single family residential. Paragraph 6 of the Declaration provides that a lot may be rented by the owner to a single family but not otherwise. Rental of guest houses is prohibited.

Owners that permit anyone other than a single family residing on the lot shall be in violation. There shall be no partial occupancies. There shall be no temporary occupancies such as Airbnb, VRBO, or BnB's permitted.

2. Paragraph 3 of the Declaration provides that no structure shall be moved from another location to a lot.

No construction dumpsters, storage pods or storage units shall be permitted on any lot unless it is not visible from neighboring property or unless it is for a temporary usage subject to size, location and length of occupancy on the lot as permitted by the Board of Directors in writing in advance of placement.

3. Paragraph 7 of the Declaration provides that no lot shall be used for any purpose that will disturb the peace, quiet, comfort or serenity of the occupants of the surrounding property.

No construction activities, barking dogs, loud social gatherings or other loud activity of vehicles or otherwise shall be permitted between 10:00 pm and 6:00 am.

4. Paragraph 7 of the Declaration provides that no lot shall be used for the storage of any property or thing that would cause such lot to appear in an unclean or untidy condition.

Storage of items on a lot shall not be visible from neighboring properties.

5. Paragraph 9 of the Declaration provides trucks, except those belonging to workers

doing work in the subdivision or making deliveries during daylight hours or at other times during emergencies, shall not be permitted to be parked in the subdivision.

The Board recognizes that non-commercial trucks have become as common as automobiles for use as passenger vehicles since the Declaration was originally drafted. It is the opinion of the Board that it is not the intent of the Declaration to restrict normal non-commercial passenger trucks. However, commercial vehicles of any type will not be permitted to be parked in the subdivision subject to the original exception.

6. Paragraph 9 of the Declaration provides that no trailers, campers, boats shall be permitted to be parked or maintained in any part of the subdivision so as to create an unsightly condition.

Due to the limited size of the lots in Estate Los Arboles and the zero-lot line configuration of the homes, the Board deems the parking of any trailer, camper or boat which is visible from neighboring property creates an unsightly condition.

7. Paragraph 16 of the Declaration provides that the owner of each lot shall maintain all improvements and all landscaping and yards in a good and neat condition.

The owner's lot extends to the middle of the alley (or in the case of 13th place, the entire alley). Each owner is responsible for maintaining their lots and their portion of the alley free of weeds and other debris.

8. Paragraph 18 of the Declaration provides that no building, fence, wall, antenna or other structure shall be commenced, erected, repaired structurally, replaced or altered until the plans and specifications and plot plan showing the nature, kind, shape, height, materials, floor plans, location, and approximate cost of such structure are submitted and reviewed by the Board. The Board will not require prior approval for any repairs or repainting provided such work does not change the original structure or paint color.

The Board requires that all construction contemplated by paragraph 18 of the Declaration shall be performed by a contractor licensed by the state of Arizona. In addition to submitting plans and specifications, the name and license number of the licensed contractor shall be provided. Once the owner obtains Board approval of the proposed improvements, the owner shall obtain building permits, as required by the City of Phoenix, and provide copies of such permit(s) to the Board prior to commencement of construction.

9. Article II section 6 of the Bylaws requires each owner to provide contact information to the Association. Pursuant to ARS §33-1806.01, an Association may require an owner to provide renter information including phone numbers and email addresses of renters of property within the planned community. The Board is tasked with doing all work necessary to operate the Association, maintain the common areas and enforce the covenants set forth in the Declaration. The Board is required to provide notices on behalf of the Association to members. The Board is comprised of members who volunteer their time and effort for the benefit of the Association and all members. Use of email delivery is a more efficient

and less time intensive means of delivering notices and information to owners. The Board has also observed an increase in mail theft and less reliable mail deliver service. It is for these reasons, the Board is requiring that all owners provide email and telephone contact information for the owner and any occupant of a residence in Estate Los Arboles as an alternative means of notification.