

CROSS CREEK RANCH COMMUNITY ASSOCIATION
Compliance Policy – Revised May 16, 2013

Purpose: *To ensure compliance with the Association’s governing documents which include the Articles of Incorporation, the By-Laws, the Declaration of Covenants, Conditions and Restrictions and the Association Rules (the “Governing Documents”) and the laws of the State of Arizona, and to maintain, preserve, enhance, and protect the property values and assets of the community.*

1. In the event the Board/Management Company determines that an Owner has violated or is violating a provision of the governing documents of the Association, the Board/Management Company will mail to the Owner a Courtesy Notice notifying the Owner of the violation. The Owner will be given ten days from the date of the Courtesy Notice to correct the violation provided however that the Board/Management Company shall have the right to increase or decrease the number of days allowed to cure the violation.
2. If the Owner does not cure the violation set forth in the Courtesy Notice within the period set forth in such Notice, the Association will send a Notice of Non-Compliance (the “Notice”) to the Owner by first class and certified mail. The Notice will specify the provision of the Governing Documents that has been violated, the date the violation was observed, the name of person(s) who observed the violation, the amount of the monetary penalty to be assessed and the effective date thereof, the process the Owner must follow to contest the imposition of the fine, and the right of the Owner to request a hearing before the Board to be heard. Most violations will incur a monetary penalty of \$25 per day until the violation is rectified. However, the Board shall have the right to increase or decrease this amount as it deems appropriate. The Owner will be given ten (10) business days from the date of the Notice to correct the violation and/or to request an opportunity to be heard.
3. If the Owner requests in a timely manner an opportunity to be heard regarding the monetary penalty, the Association will notify the Owner of the date and time of the hearing within ten (10) business days following its receipt of the timely request for a hearing.
4. If the Owner does not cure the violation or request an opportunity to be heard within ten (10) business days after the date of the Notice, the monetary penalty set forth in the Notice shall begin to accrue as of the effective date set forth in the Notice.
5. Any violation by an Owner of the same provision of a Governing Document for a second time within the same calendar year will be considered by the Board as a

continuing violation by such Owner. If a Courtesy Notice has been sent to an Owner during a calendar year regarding a previous violation of the same provision of a Governing Document and the Owner violates such provision again, a Notice will be sent to the Owner thereby bypassing the giving of the Courtesy Notice to such Owner as to such second violation.

6. The Association may at any time during this process turn the matter over to legal counsel for legal action.
7. In the event the Owner is entitled to a hearing and requests a hearing within ten (10) business days after the date of a Notice to such Owner, the President or Secretary of the Association shall schedule a hearing on the violation before the Board and shall notify the Owner requesting the hearing of the date, time, and place of the hearing. The Board may make its decision on the violation at such meeting or at a meeting held within a reasonable period thereafter. The minutes of the meeting or meetings of the Board at which the hearing is held shall reflect the fact that the hearing on the violation was held and the action, if any, taken by the Board at such meeting on the violation. Notice of the action of the Board shall be mailed to the Owner in the same manner as the Notice. In the event the Board upholds the imposition of the monetary penalty, the monetary penalty shall accrue from the date set forth in the Notice.
8. In the event the Board imposes a monetary penalty on the Owner in regard 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 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 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 from the Owner; (ii) send the Owner a letter confirming such satisfactory resolution of the Notice, (iii) document in writing for the Owner's 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 a letter notifying the Owner of the continuing violation and that the monetary penalty will continue to accrue.
9. Any monetary penalties imposed by the Board upon an Owner hereunder shall be payable by the Owner and shall be enforceable by the Association in accordance with the Governing Documents and applicable Arizona law.
10. This Compliance Policy 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 Governing Documents of the Association. In the event of any conflict between the terms hereof and the terms of the Governing Documents of the

Association, the terms of the Governing Documents of the Association shall govern. Further, this Compliance Policy is intended as a guideline for the Association. The Board retains the right to vary the enforcement process when it in its sole discretion determines that any such variance is appropriate. The Board further retains the right to amend or replace all or any portion of this Compliance Policy. This Compliance Policy and the remedies set forth herein do not constitute an election of remedies by the Association which reserves all such remedies available at law and in equity. The Association shall have the right to enforce the governing documents of the Association through any other remedies available to the Association concurrently with this Compliance Policy procedures set forth herein.

11. Violations of Section 3.1 of the Declaration, Architectural Control.
 - A. The Board shall levy a fine of five hundred dollars (\$500) against an Owner for the failure by such Owner to obtain written approval from the Architectural Review Committee prior to constructing or installing an Improvement that would be Visible from Neighboring Property, and for the failure to comply with any other provision of Section 3.1 of the Declaration or the Design Guidelines. An Owner may submit a request for approval to the Architectural Review Committee after the Board levies the fine, but the request will not be considered until the earlier of (i) payment of the fine by the Owner, or (ii) determination by the Board that the fine should be rescinded.
 - B. The failure by an Owner or Resident to remove or satisfactorily correct an Improvement for which the Architectural Review Committee has not granted prior written approval may result in the Association taking legal action to correct the violation. In any such legal action, the Association will seek to recover all attorneys' fees, costs and expenses resulting from the action pursuant to Section 9.1 of the Declaration and pursuant to Arizona law. In addition, the Board may levy an additional fine of one hundred dollars (\$100) per day for each day an Owner fails to comply with instructions from the Board or Architectural Review Committee with respect to removal or correction of an Improvement installed without the prior written approval of the Architectural Review Committee.