

**CROSS CREEK RANCH COMMUNITY ASSOCIATION
ASSOCIATION RULES, POLICIES AND PROCEDURES**

REVISED MARCH 24TH, 2022

**ARTICLE 1
PURPOSE, ORGANIZATION AND COMPLIANCE POLICY**

1.1. Project Documents. The Cross Creek Ranch Community Association (the “Association”) was established on August 13, 2002, as an Arizona not-for-profit corporation for the purpose of providing management, maintenance and care of the Common Area and enforcement of the Association documents. The duties and powers of the Association are defined in the Association Documents which include the following: Declaration of Covenants, Conditions and Restrictions for Cross Creek Ranch (the “Declaration”), Articles of Incorporation of Cross Creek Ranch Community Association, Cross Creek Ranch Community Association Bylaws, Association Rules Policies and Procedures, and Design Guidelines (in each case, as such Association Document may be amended from time to time), and applicable statutes. Unless otherwise defined in these Rules, capitalized terms shall have the meanings as defined in the Declaration.

Each Owner in Cross Creek Ranch is provided with a copy of all Association Documents. By taking title to a Lot within Cross Creek Ranch, an Owner agrees to comply with the provisions of the Association Documents as they pertain to the Owners and Members. These Association Rules are in addition to and supplement the restrictions contained in all the other Association Documents: Owners are encouraged to read all Association Documents to gain an understanding of how the Association operates and what restrictions are placed upon their property and the Common Area.

In the event of a conflict between a provision of these Rules 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. The Board may from time to time in its sole discretion amend, repeal, or augment these Rules as it deems appropriate, subject, of course, to the terms of the Declaration and applicable law. It is the responsibility of each Owner and Resident to obtain and adhere to the stipulations of the most recent copy of these Rules. The Board retains the right to grant variances from these Rules as determined appropriate in its sole discretion.

1.2. Management. The Board of Directors of the Association (“Board”) is responsible for the administration of the Association and is authorized to hire personnel necessary for the daily operation of the Association and its Common Area. The Board has hired a property management company (the “Managing Agent”) to oversee the daily operation of the Association. The Managing Agent will work closely with the Board to assure that the Association is being operated in a manner that will enhance and preserve the community. The Managing Agent is HOAMCO, 35 Bell Rock Plaza, Suite A, Sedona, AZ 86351. The telephone number of the Managing Agent is 928-282-4479.

1.3. Compliance Policy. 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 regarding 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.

ARTICLE 2

FINANCE AND COLLECTION POLICY AND PROCEDURES

2.1. Finance. The funds necessary to operate the Association are provided via the Assessments levied by the Association against each Lot within Cross Creek Ranch. These Assessments consist of the Annual Assessment billed quarterly, Water Company Assessment, billed monthly, Internet Assessment billed monthly for homeowners and quarterly for lot owners and any Special Assessments. The financial stability of the Association is dependent upon the timely payment of all Assessments. The fiscal year for the Association is the calendar year. The amount of Assessments will be determined each year by the Board and all Owners will be notified at least thirty days prior to the beginning of the next fiscal year.

2.2. Collection Policy and Procedures.

2.2.1. Ownership Interests. Pursuant to the Declaration, the person who is the Owner of a Lot as of the date an Assessment becomes due is personally liable for the payment of the

Assessment. The personal obligation for delinquent Assessment shall not pass to the successors in title of the Owner unless expressly assumed by them.

2.2.2. Handling Charges and Returned Check/Auto Debit Fee. In order to recoup costs incurred because of the additional administrative expenses associated with collecting delinquent Assessments, collection of these fees and charges are part of the Collection Policy. These fees and charges, including a Collection Notice Fee will be added to the amount outstanding and are collectible to the same extent and in the same manner as the delinquent Assessment.

2.2.3. Application Of Funds Received. All moneys received by the Association will be applied to amounts outstanding to the extent of and in the following order:

- a. First to the unpaid Assessment amount.
- b. Next to interest accrued.
- c. Last to late fees, returned item fee, collection costs and attorney's fees incurred by or on behalf of the Association.

2.2.4. Partial Payments and Application of Funds. Partial payments will not prevent the accrual of interest on the unpaid portion of the Assessment. The owner will still be considered delinquent upon making partial payments.

2.2.5. Ownership Records. All collection notices and communications will be directed to those persons shown by the records of the Association as being the Owner of the Lot for which Assessments are due and will be sent to the most recent mailing address and email address (Address) of such Owner solely as reflected by the records of the Association. Any notice or communication directed to a person at an Address, in both cases reflected by the records of the Association as being the Owner and Address for a given Lot, will be valid and effective for all purposes pursuant to the Declaration and this Assessment Collection Policy until such time as there is actual receipt by the Association of written notification of any change in the identity or status of such Owner or its Address or both.

2.2.6 Notification to Owner

15 Days Delinquent	LATE NOTICE. A payment by a member is deemed delinquent if it is unpaid fifteen (15) or more days after the due date. A late notice will be sent via regular first-class mail, a late fee of \$15.00 or 10% (whichever is greater) will be charged to the Owner's account, and a Collection Notice Fee will be charged to the Owner's account. Interest will be charged at the rate of 12% per annum.
30 Days Delinquent	2nd LATE NOTICE. No sooner than Thirty (30) days after the due date, the Association will send a notice via regular first-class mail to the Owner setting forth the amount of the delinquent Assessment

	owing. All fees associated with this letter will be charged to the Owner's account, including an additional Collection Notice Fee.
60 Days Delinquent	INTENT TO LIEN NOTICE. No sooner than Sixty (60) days beyond the due date, the Association will send a notice of Intent to Lien to the Owner making formal demand for immediate payment for all outstanding amounts. The Intent to Lien notice will be sent via regular mail. All fees associated with this letter, including Intent to Lien fee, will be charged to the Owner's account.
90 Days Delinquent	RECORDATION OF LIEN. 90 days after the due date, if an Owner fails to pay in full the entire amount covered by an Intent to Lien notice by the date specified, a written notice of lien will be prepared and recorded with the County Recorder pursuant to A.R.S. 33-1807. For Water Company and Internet Assessments, the Association can terminate service. All fees related to these actions will be charged to the Owner's account.
+90 Days Delinquent	The Association will pursue collections of the amounts due as outlined below.

2.2.7. Alternative Collection Courses. The Board, acting with input and recommendation from management and/or counsel, will evaluate which course of legal action appears to be in the best interest of the Association for recovery of unpaid Assessments. Where foreclosure of the Assessment lien in favor of the Association against a Lot, together with pursuit of personal judgment against the Owner, is determined to be advisable, or personal judgment alone, the Board will direct counsel to proceed accordingly pursuant to the minimum foreclosure requirements of A.R.S. 33-1807.

2.2.8. Verification Of Indebtedness. Where an Owner requests verification of the indebtedness, Management will, upon notification of the Owner's request, supply such verification within fifteen (15) business days. The exercise of the collection rights of the Association regarding Assessments will in all ways comply with the Fair Debt Collection Practices Act and A.R.S. 33-1803 and 33-1807.

2.2.9. Owner's Agent or Representative. If the owner expressly or impliedly indicates to the Association that the owner's interest in the property is being handled by an agent or representative, any notice from the Association to such agent or representative pursuant to this Collection Policy shall be deemed to be full and effective notice to the owner for all-purposes.

ARTICLE 3
ASSOCIATION PROPERTY
GENERAL RULES, POLICIES AND PROCEDURES

3.1. Responsibility. Residents are responsible for the acts of their guests.

3.2. Notices and Advertisements. Notices, advertisements, or posters of any kind shall not be placed or distributed on Common Area without the prior written consent of the Board.

3.3. ATV/UTV Rules, Policies and Procedures.

3.3.1. Definitions.

1. ATV. An all-terrain vehicle is an unlicensed three or four wheeled vehicle intended for off road use and is usually ridden straddled and steered with a handlebar.

2. UTV. Examples of this type of vehicle are Polaris Ranger, Yamaha Mule, Arctic Cat, Honda, or similar brands that are licensed by the state for use on public roads and are mandated by the state to have insurance coverage like automobiles. These vehicles are operated on streets under state rules and restrictions. These vehicles are not considered ATVs under these definitions. Similarly, golf carts, whether electric or internal combustion powered are not considered an ATV.

3.3.2. Rules.

1. The use and riding of ATVs within the community is strictly prohibited by residents and/or their guests. This will be enforced by issuing the offending party a fine.

2. The use of an UTV by an owner is strictly limited to ingress and egress to and from the owner's property in and out of the community. The shortest distance from gate to home is to be followed. JOY Riding is prohibited. Exceptions to joy riding may be granted by the Board to residents who based on legal disability and/or verifiable medical necessity cannot get around the community to enjoy it, visit others, etc. and need to use their UTV for those purposes. Vehicles used under this exception will need to be specifically approved by the Board prior to use.

3. The owner must register the UTV with the Architectural Review Committee and with the Managing Agent's office.

4. Owner must provide proof of current valid MVD registration and well as proof of insurance.

5. Owner must sign a statement agreeing to the following:

a. Owner or their designate will be the individual operating the vehicle

b. the vehicle will be operated in a manner prescribed by the Board to include

-on paved roadways only - operated for ingress and egress, not entertainment. -in compliance with the motor vehicle laws of the state of Arizona - within posted CCR speed limits - operated in a manner so as not to disturb other residents

6. Owner shall sign a statement that recognizes any violation may result in fines or loss of operating privileges.

7. Owner will sign a waiver of liability holding CCR harmless for any injuries/damages to operators, passengers, property, or others due to the operation of the UTV within CCR boundaries.

3.4. Animal Rules, Policies and Procedures.

3.4.1. No animal, bird, fowl, poultry, reptile, or livestock may be kept on any Lot, except that no more than a reasonable number of generally recognized house or yard pets (“Permitted Pets”) may be kept on any Lot and then only if such Permitted Pets are kept, bred, or raised thereon solely as domestic pets and not for commercial purposes.

3.4.2. All Permitted Pets shall be confined to the Owner's Lot except that a dog that has not been determined by the Board to be a vicious dog may be permitted to leave the Owner's Lot and (i) to enter onto the Common Area (but not into Common Area Improvements) and (ii) to enter onto the Trails Easements, in each case, if such dog is at all times kept on a leash not to exceed six feet (6') in length. No Permitted Pet is permitted to enter upon any Lot other than the Owner's Lot, except Lots where Trails Easements exist and then only on such easements.

3.4.3. No Permitted Pet shall be allowed to make an unreasonable amount of noise or to become a nuisance.

3.4.4. No structure for the care, housing or confinement of any Permitted Pet shall be maintained so as to be visible from neighboring property without the prior written consent of the Architectural Review Committee.

3.4.5. Any Owner, resident or other person who brings or permits a Permitted Pet to be on the Common Area or any Lot or Street shall be responsible for immediately removing any feces deposited by such pet.

3.4.6. All Permitted Pets shall be licensed and otherwise kept and cared for in accordance with all applicable statutes and ordinances.

3.4.7. Upon the written request of any Owner, lessee or resident, the Board shall determine, in its sole and absolute discretion, whether for the purposes of this Rule:

1. A particular Permitted Pet is a nuisance or a threat to the health, safety or welfare of the Owners, lessees and residents or the property of the Association or such persons. The Board shall be entitled to consider whatever factors it reasonably determines relevant in deciding whether a Permitted Pet is a nuisance or a threat to the health, safety or welfare of the Owners, lessees and residents or the property of the Association or such persons. Without limiting such factors, in determining whether a dog is a nuisance or a threat to the health, safety or welfare of the Owners, lessees and residents or the property of the Association or such persons the Board may consider among other factors whether the dog is a vicious dog in that it has a propensity to attack, to cause injury to or to otherwise endanger the safety of human beings or domestic animals without provocation or has bitten a person or domestic animal without provocation or that has a known history of attacking persons or domestic animals without provocation. Any one or more of the following shall be evidence of a dog's vicious nature: (a) the dog has, without provocation attacked or bitten a person engaged in a lawful activity; (b) the dog has, while off the property of the dog Owner and without provocation, killed or seriously injured another animal; (c) the dog has, without provocation, chased, confronted or approached a person on a street, sidewalk or other public property in a menacing fashion such as would put an average person in fear of attack; (d) the dog has, exhibited a propensity, tendency or disposition to attack, cause injury or threaten the safety of a person or other animal without provocation; (e) the dog has attacked in a manner that causes or should cause its owner to know that it is potentially vicious; (f) the dog has been trained for dog fights or is owned or kept for dog fighting, and (g) the dog has been declared to be a vicious dog by the Justice of Peace or other court. A person who owns or is responsible for the care of a dog the Board has determined to be a vicious dog shall take reasonable care to prevent the dog from escaping to the outside of the Owner's residence or an enclosed area, yard or structure on such Lot. A person who owns or is responsible for the care of a dog the Board has determined to be a vicious dog shall at all times control the dog in a manner that prevents the dog from biting or attacking a person or domestic animal. Injury to any person or other domestic animal or to any property shall be the full responsibility of the dog owner or person or persons responsible for the dog when such damages were inflicted. In addition, in the event the Board determines a particular dog to be a significant risk to the health and safety of the residents of the Project, upon notice to the Owner of

the dog and after providing the Owner an opportunity to be heard, the Board may require that such dog be permanently removed from the Project.

2. A particular Permitted Pet is making an unreasonable amount of noise. The Board shall be entitled to consider whatever factors it reasonably determines relevant in deciding whether a Permitted Pet is a making an unreasonable amount of noise. Without limiting such factors, the Board may consider among other factors whether a Permitted Pet frequently or for a continuous duration produces a sound that is audible beyond the property line of the Owner's Lot that in the sole opinion of the Board disturbs the public peace, quiet or comfort of the neighboring inhabitants. In the event the Board determines a particular Permitted Pet to have repeatedly made an unreasonable amount of noise, upon notice to the Owner of the dog and after providing the Owner an opportunity to be heard, the Board may require that such dog be permanently removed from the Project.

3. A particular pet is a Permitted Pet. The Board shall be entitled to consider whatever factors it reasonably determines relevant in deciding whether a particular pet is a Permitted Pet. In the event the Board determines a particular pet is not a Permitted Pet, upon notice to the Owner of the pet and after providing the Owner an opportunity to be heard, the Board may require that such pet be permanently removed from the Project.

4. The number of Permitted Pets kept on a Lot is a reasonable number. The Board shall be entitled to consider whatever factors it reasonably determines relevant in deciding whether the number of Permitted Pets kept on a Lot is a reasonable number. In the event the Board determines the number of Permitted Pets on a Lot is an unreasonable number, upon notice to the Owner of the pet and after providing the Owner an opportunity to be heard, the Board may require that the Permitted Pets that exceed a reasonable number thereof be permanently removed from the Project.

3.5. Red Rock State Park Access Policy. Certain Lots abut Red Rock State Park (Park). Vehicles and pedestrians are prohibited from entering the Park from any lot in the Project except in locations where Trail Easements exist for the purpose of providing access to the Park. All pedestrians must have a valid Park pass and observe all Park rules.

ARTICLE 4
GENERAL RULES GOVERNING THE USE OF
LIMITED ACCESS GATES

4.1. Methods of Access. The gated entrance will have three methods of access:

- 1.** Automatic access is provided for Residents using an electronic transmitter. Upon approaching the gate, the Resident will activate the transmitter, which opens the gate. Two transmitters shall be issued per Lot; additional transmitters may be purchased for a fee. Lost or damaged transmitters may be replaced for a fee.
- 2.** A Resident may gain access by entering a personal code on the keypad in front of the gate. Residents are encouraged not to allow guests and visitors to have the personal code.
- 3.** Guests may use the keypad in front of the gate to contact a Resident by dialing the Resident's personal code number, which is electronically displayed on the keypad. The code number automatically dials the Resident's telephone number, and if the Resident answers, the Resident may remotely open the gate by dialing a specific number on the telephone. If the Resident cannot be contacted by telephone, the visitor will not be granted access.

4.2. Obligation of Owners to Pass Transmitters Upon Sale of Home. The transmitters are a part of the gate system and are owned by the Association. Upon the sale by an Owner of a Residential Unit to a new buyer, such Owner shall pass on the electronic transmitter and all codes and operating instructions to the new Owner. Failure to do so will result in the new Owner having to purchase new transmitters at a cost determined by the Board. If new transmitters are issued, the old transmitter codes will be eliminated from the system. New transmitters and codes will not be issued unless an Owner can show proof of ownership of a Lot in Cross Creek Ranch.

ARTICLE 5
GENERAL RULES GOVERNING THE USE OF LOTS

5.1. Maintenance Standards. As set forth in sections 3.6 and 7.3 of the Declaration the following Maintenance Standards are adopted. All Improvements, whether on a Lot or an Area of Association Responsibility, shall be maintained in good condition and repair, and all Lots upon which no Improvements have been constructed shall be maintained in good condition and in a natural manner. This includes within the Building Envelope all grass, hedges, shrubs, vines and plants of any type shall be irrigated (to the extent necessary to produce healthy plant material), mowed, trimmed and cut at regular intervals to be maintained in a neat and attractive manner. Trees, shrubs, vines, plants, and grass which die shall be promptly removed and replaced with living foliage of like kind, unless different foliage is approved in writing by the Architectural Review Committee. No yard equipment, wood piles or storage areas may be maintained to be visible from neighboring property or streets. Maintenance outside of the

Building Envelop is restricted to those activities that are necessary to prevent any fire hazard. This includes removal of dead trees, weeds from disturbed areas, broken limbs and vegetation trimming.

5.2. Trash Containers. Trash containers shall not be placed by the curb for pick-up before 12:00 PM the day prior to pick-up and shall be taken in by 9:00 AM the day after the pick-up. A Resident who is unable to meet these time requirements should make arrangements with a neighbor to assure compliance.

5.3. Garage Sales. Garage sales, which require access to the community by the public, are prohibited.

5.4. Garage Doors. Garage doors must remain closed except (i) when an Owner is performing activities in the garage which do not violate the provisions of the Declaration, and (ii) for access to and from the garage. Allowing the garage doors to remain open a maximum of one foot (1') from the driveway surface during the summer months for the purpose of ventilation shall not be deemed to be a violation of this rule.

5.5. Political Signs. Political signs may not be erected on a Lot prior to seventy-one (71) days before the election. All such signs shall be removed within three (3) days after a general election. Political signs may only be placed on an Owner's Lot. Signs are not allowed on the Common Area of the Association. The number of political and campaign signs is not limited, except that the maximum aggregate total dimensions of all political signs on an Owner's Lot shall not exceed nine square feet.

5.6. Leasing of Homes. In addition to complying with the provisions set forth in Section 3.37 of Article 3 of the Declaration, each Owner must submit a Residential Information Form with a copy of the lease within 10 days of leasing the home. Section 3.37 of Article 3 of the Declaration states that no home shall be leased for a term of less than 30 days.

5.7. Holiday Lights. Residents may display decorations for holidays. Duration for display of seasonal decorations shall be limited to between Thanksgiving and January 15 of the following year. Display of decorations for other holidays shall be limited to one week in advance and one week after the occasion. All lights and other decorations shall be removed after duration periods noted above.

5.8. Single Family Use. All Residential Units shall be used, improved, and devoted exclusively to residential use by a Single Family. "Single Family" means a group of one or more persons each related to the other by blood, marriage or legal adoption, or a group of not more than six (6) persons not all so related, together with their domestic staff, who maintain a common household in a Residential Unit.

ARTICLE 6

RULES, POLICIES & PROCEDURES GOVERNING ARMIJO DITCH AND MEADOWS

6.1. Armijo Ditch Policies and Procedures. The Armijo Ditch has a rich history dating back to the late 1800's that provides Cross Creek with the benefits of the irrigation water it delivers. This is a unique asset of the Cross Creek community.

The Armijo Ditch will be operated and maintained in accordance with the Declaration of Covenants, Conditions and Restrictions for Cross Creek Ranch, and at the sole discretion of the Cross Creek Board of Directors. Normal operations are between May 1st and October 15th. The ditch can operate with water from two recognized points of diversion via the State Park Dam and/or the two water pumps by the Cross Creek Ranch entrance bridge. The ditch may be shut down at any time when there is enough water from the monsoons to adequately irrigate the meadow lots, or as otherwise determined by the Board. During low water years, when the pumps need to be run, the Board will take input from the Infrastructure & Ditch Committee Chair as to when and how long the pumps should run.

Meadows lots require surface irrigation to soak 7 inches into the soil. Each lot will be monitored, and the irrigation water shut down when this average soil depth is met. The standard rotation between lots will be 7 to 10 days. This means each lot generally gets irrigated between 24 and 17 times per season. In no case shall the amount of irrigation water diverted from Oak Creek exceed 108.5 acre-feet per year.

The Armijo Ditch Dam located within the State Park will be repaired every Spring as needed. The repairs will be made in coordination with the State Park and in conformance with governing laws and rules. The ditch will be cleaned between February 1st and March 31st. Depending on the year, cleaning can take 8-to-10-man weeks. The cleaning will clear silt, leaves, branches, and any other debris. Leaks will be repaired using concrete or by other means other than bentonite. The Board will decide if the Cross Creek Maintenance person will do the cleaning on their own or utilize additional contractors to reduce the time to finish the cleaning.

6.2. Preservation of Meadows. Sections 4.9 and 4.10 of the Declaration provide for the preservation and maintenance of the Meadows within Cross Creek Ranch. Each Owner of a Meadows Lot, as defined in the Declaration, shall comply with all covenants, conditions, restrictions, and rules set forth in the Declaration and these Rules to enable the Association to perform its obligations. At no time shall a Member divert irrigation water.

ARTICLE 7

RULES GOVERNING SEWAGE DISPOSAL SYSTEM

7.1. Fee. The Association owns, operates, and maintains the sewage disposal system within Cross Creek Ranch. Each Owner hooked up to the sewer system is billed \$40 per month. This charge appears on the monthly water service invoice.

7.2. Installation of Sewage Grinder Pump. The installation of a sewage grinder pump shall be required for each Lot. To reduce the risk of incompatibility with the sewage disposal system, the Association requires that the pump be installed on the Lot by a contractor with grinder pump installation experience. The association recommends the installation of an Environmental One Corporation (www.eone.com) pump or equivalent.

ARTICLE 8 VIOLATIONS

8.1 Notice and Hearing: Suspension of Rights; Lien Rights. No fines will be assessed without notice and an opportunity to be heard. Article 5 of the Bylaws sets forth the notice and hearing procedures for fines. Any fine for which an Owner has waived the right to be heard, or any fine affirmed by the Board after hearing shall be paid in accordance with Article 5 of the Bylaws. Pursuant to Section 6.10 of the Declaration, the Association has a lien on each Lot for any amounts due the Association, including fines, and the Association may use the same remedies to collect fines as it uses to collect Assessments. In addition to levying fines as penalties for infractions, the Association also may exercise any other remedy available pursuant to Section 9.1 of the Declaration or pursuant to Arizona law.

8.2 Violations of Section 3.1 of the Declaration, Architectural Control.

8.2.1 The Board shall levy a fine of five hundred dollars (\$500) against an Owner for the failure by such Owner, or by a Resident or Lessee of such Owner's Lot, to obtain written approval from the Architectural Review Committee prior to constructing or installing an Improvement that would be Visible From Neighboring Property, or 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 not be assessed.

8.2.2 The failure by an Owner or Resident to remove or satisfactorily correct an Improvement for which the Architectural Review Committee has disapproved 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 twenty dollars (\$20) 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 written approval.

8.3 Violations of Section 3.12 of the Declaration, Trash Containers and Collection. The Board shall levy a fine against an Owner for the failure by such Owner, or by a Resident or Lessee of such Owner's Lot, to comply with Section 3.12 of the Declaration and the additional rules contained in this paragraph. Trash containers may be left at the curb for pickup no earlier than 8:00 p.m. on the day before the scheduled pickup is to occur and may remain at the curb until no later than 8:00 p.m. on the day the scheduled pickup is to occur. Failure to comply with Section 3.12 and this paragraph will result in the Board levying against an Owner a fine equal to ten dollars

(\$10) multiplied by the number of days the violation exists. The Owner of each Lot shall be entitled to one (1) warning letter before a fine is levied. If the next violation after a warning letter is committed more than one (1) year after the warning letter is issued, then another warning letter shall be issued before a fine is levied.

8.4 Violations of Section 3.17 of the Declaration, Animals. The Owner of a Lot shall be subject to a fine of (i) twenty-five dollars (\$25) for the first violation, (ii) fifty dollars (\$50) for the second violation and (iii) one hundred dollars (\$100) for the third violation and each violation thereafter for the following violations of Section 3.17 of the Declaration. The Owner of a Lot shall be entitled to one (1) warning letter before the first fine is levied.

(i) Failure by a Resident to observe the leash rule;

(ii) Failure by a Resident to control an animal so that it is not a nuisance or does not make an unreasonable amount of noise; and

(iii) Failure by a Resident to immediately remove feces deposited by an animal on any Lot or Common Area.

If a second or third violation is committed more than one (1) year after the previous violation for which a fine was assessed, then the fine for a first violation shall apply.

8.5 Violations of Sections 3.21, 3.22 and 3.23 of the Declaration, Vehicles and Parking. The Owner of a Lot shall be entitled to one (1) warning letter prior to the Board taking any action. The failure to comply with the warning letter in the time provided therein, or a second or subsequent violation within one (1) year after the previous violation, will result in the Board levying a fine of fifty dollars (\$50) for each time an Owner fails to comply with directions from the Board to correct the violation, or fifty dollars (\$50) per day for each day an Owner fails to comply with directions from the Board to correct a continuing violation, whichever is applicable. No warning letter will be issued on second or subsequent violations. In addition, the Board also may exercise its rights pursuant to Section 3.24 of the Declaration by towing the vehicle. The costs and expenses of towing the vehicle shall be charged to the Owner as provided in Section 3.24 of the Declaration.

8.6 Violations of Section 7.3 of the Declaration, Maintenance of Lots. The Owner of a Lot shall be entitled to one (1) warning letter prior to the Board taking any action. The failure to comply with the warning letter in the time provided therein will result in the Board levying a fine of ten dollars (\$10) per day for each day an Owner fails to comply with directions from the Board to correct the violation. In addition, the Board also may exercise its rights pursuant to Section 7.5 of the Declaration by performing the work at the cost of the Owner.

8.7 Violations of Section 7.8 of the Declaration, Installation of Landscaping. Failure to comply with Section 7.8 may result in the Board levying against an Owner a fine equal to ten dollars (\$10) multiplied by the number of days the violation exists for the first thirty (30) days, and thereafter a fine equal to one hundred dollars (\$100) multiplied by the number of days the violation exists after the first thirty (30) days. The Owner of each Lot shall be entitled to one (1) warning letter before a fine is levied.

8.8 Other Violations of Project Documents. Violations by an Owner of any provision of the Declaration, Bylaws, Design Guidelines or these Rules not specifically provided for in this Article 7 may result in the Board levying a fine against the Owner in the amount of (i) twenty-five dollars (\$25) for the first violation, (ii) fifty dollars (\$50) for the second violation and (iii) one

hundred dollars (\$100) for the third violation and each violation thereafter if the violation is one that is not continuing in nature, or in the amount of ten dollars (\$10) multiplied by the number of days the violation exists if the violation is one that is continuing in nature. Any Owner committing a continuing violation shall be entitled to one (1) warning letter before a fine is levied.

8.9 Complaints Concerning Violations. An Owner or Resident may report an alleged violation to the Association by a telephone call or by written notice to the Managing Agent.

The foregoing rules may be modified from time to time as may be deemed necessary in the sole discretion of the Board of Directors of Cross Creek Ranch Community Association.

In the event of any conflict between these Rules and the Declaration, the Declaration shall control. In the event of any conflict between these Rules and the Bylaws, the Bylaws shall control.

