

**ACTION IN WRITING  
BY THE  
BOARD OF DIRECTORS  
OF  
CAMINO VERDE III HOMEOWNERS ASSOCIATION**

The undersigned, constituting all of the members of the Board of Directors of Camino Verde III Homeowners Association, an Arizona nonprofit corporation (the “Association”), hereby take the following actions in writing and without a meeting pursuant to Section 10-3821 of the Arizona Revised Statutes, which actions shall have the same force and effect as if taken by the Board at a duly called meeting of the Board:

**RESOLVED**, that the Camino Verde III Homeowners Association Rules attached hereto and incorporated herein by reference are hereby adopted as the Association Rules of this Association, and that the Secretary is hereby instructed to insert the same in the Association’s minute book.

This Action in Writing by the Board of Directors (a) may be executed and delivered in multiple counterparts, including electronic counterparts, all of which together shall be deemed one and the same instrument, and (b) shall be filed with the minutes of the proceedings of the Board of Directors of the Association.

Dated this \_\_\_ day of \_\_\_\_\_ 2022

\_\_\_\_\_  
Kelly Lee

\_\_\_\_\_  
Alia T. Jones

\_\_\_\_\_  
Kimberly York

**CAMINO VERDE III  
HOMEOWNERS ASSOCIATION  
ASSOCIATION RULES**

**CAMINO VERDE III HOMEOWNERS ASSOCIATION**

**ASSOCIATION RULES**

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# CAMINO VERDE III HOMEOWNERS ASSOCIATION

## ASSOCIATION RULES

(Adopted \_\_\_\_\_, \_\_ 2020)

### ARTICLE 1

#### PURPOSE, ORGANIZATION AND FINANCE

**1.1 Project Documents.** Camino Verde III Homeowners Association (the “Association”) was established on September 23, 2013, as an Arizona nonprofit corporation for the purpose of holding title to the Common Areas, constructing, administering, operating, repairing and maintaining the Areas of Association Responsibility and other related purposes. The duties and powers of the Association are defined in the following documents (the “Project Documents”):

- (i) Declaration of Covenants, Conditions, Restrictions and Easements for Camino Verde III, as may be amended from time to time (the “Declaration”);
- (ii) Articles of Incorporation of Camino Verde III Homeowners Association;
- (iii) Bylaws of Camino Verde III Homeowners Association;
- (iv) Camino Verde III Association Rules (“Rules”); and
- (v) Camino Verde III Homeowners Association Design Guidelines.

Throughout these Rules capitalized words not otherwise defined herein will have the same meanings given to such terms in the Declaration.

Each Owner in Camino Verde III is provided with a copy of all Project Documents. By taking title to a Lot within Camino Verde III, an Owner agrees to comply with the provisions of the Project Documents as they pertain to the Owners and Members. Owners are encouraged to read all Project Documents to gain an understanding of how the Association operates and what restrictions are placed upon his/her Lot and the Common Area.

**1.2 Management.** The affairs of the Association shall be conducted by the Board and such officers as the Board may elect or appoint. The Board may also appoint or engage a manager or other staff members to be responsible for the day-to-day operation of the Association. Until the Transition Date, the Declarant under the Declaration has the right to appoint and remove members of the Board. After the Transition Date, the Board will be elected by the Members of the Association. Each Owner of a Lot is a “Member” of the Association.

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 Project. The name, address and telephone number of the Managing Agent will be provided to each Owner upon taking title to a Lot.

**1.3 Finance.** The funds necessary to operate the Association and its facilities are provided by the Assessments levied by the Association against each Lot within Camino Verde III. The Board, subject to the provisions of the Declaration, has the authority to levy (i) Annual Assessments to provide funds for the operation and management of the Association, to enable the Association to meet its obligations and perform its duties and to create and maintain appropriate reserves, and (ii) Special Assessments for the purpose of defraying the cost of any construction, reconstruction, repair or replacement of Improvements upon an Area of Association Responsibility. The Board also has the authority to levy against Lots in any Neighborhood Assessment Area (i) Neighborhood Assessments for Common Expenses pertaining to providing Neighborhood Services including, but not limited to, maintenance of Neighborhood Common Areas, and (ii) Special Neighborhood Assessments for the purpose of paying the cost of any construction, reconstruction, repair or replacement of Improvements situated within the Neighborhood Assessment Area. The financial stability of the Association is dependent upon the timely payment of all Assessments. The following rules shall apply to the payment of Annual Assessments:

1st day of each month: Each installment of Annual Assessments is due and payable to the Association at the address provided by the Managing Agent.

15th day of month in which assessment is due: If payment is not received at the above address by this date, a late charge in an amount equal to the greater of \$15.00 or ten percent (10%) of the amount of the unpaid Assessment is automatically assessed (charges for late payment will be applied on every account showing one full assessment due with no notice to Owner), and interest will be charged from the due date at the rate of 12% per annum.

60 days following the due date: If payment has not been received within sixty (60) days after its due date, the Board may authorize the Managing Agent to record a Notice of Lien on the delinquent Owner's Lot. Before recording the Notice of Lien, the Managing Agent is required to send the delinquent Owner a written demand for payment of the delinquent Assessments and all other amounts due to the Association by such Owner. If the delinquent Owner fails to pay in full all amounts set forth in the written demand within ten (10) days of delivery of same by the Managing Agent, the Managing Agent shall record the Notice of Lien against the Owner's Lot and file a lawsuit against the Owner to collect the delinquent Assessments and other amounts due to the Association. A lien fee (in an amount set by the Board), the recording/filing fees and other amounts incurred by the Association in the preparation, recording and filing of the Notice of Lien and lawsuit will be added to the Owner's delinquent account. At this point, payment must include the collection costs and be paid by cashier's check, certified check

or money order. The Notice of Lien will remain on the delinquent Owner's Lot until the Owner's account is paid current. The amount of fees charged to an Owner for the preparation and filing of the Notice of Lien and any court actions will be the same as the fees charged to the Association by the provider of the services.

When judgment is received from Court: The matter is referred to an attorney or collection agency for collection. Any fees incurred in the collection of this matter will be charged to the delinquent Owner. Notwithstanding anything contained herein to the contrary, the Board in its reasonable discretion may pursue any other rights and remedies available to the Association pursuant to the Declaration or under law.

Returned checks: There will be a \$25 charge for checks not paid by an Owner's bank.

The fiscal year for the Association is the calendar year. The amount of the Annual Assessment will be determined each year by the Board and all Owners will be notified at least thirty days prior to the beginning of the new year.

## **ARTICLE 2 ASSOCIATION PROPERTY AND FACILITIES**

### **2.1 Code of Conduct.**

**2.1.1** All persons must conduct themselves in a civil and courteous manner at all times and must not jeopardize or interfere with the rights and privileges of others.

**2.1.2** Loud, profane, indecent or abusive language is prohibited.

**2.1.3** Harassment or physical abuse of any person by another is prohibited.

**2.1.4** No person's actions shall compromise the safety of another.

**2.2 Responsibility.** Residents are responsible for their guests while using Common Areas.

**2.3 Notices and Advertisements.** No notices, advertisements or posters of any kind shall be placed or distributed on Common Areas without the prior written consent of the Board.

**2.4 Recreational Facilities.** Unless otherwise approved by the Board, the recreational facilities in any neighborhood park may be used only from 6:00 A.M. to 10:00 P.M.

**2.5 Alcoholic Beverages and Drugs.** No alcoholic beverages or drugs (Including medical marijuana) may be brought to and/or consumed in or on any Common Areas. Intoxicated persons are not allowed on any Common Areas.

**ARTICLE 3**  
**GENERAL RULES GOVERNING THE USE OF LOTS**

**3.1 Garage Sales.** Except for garage sales organized by the Association on a community-wide basis, garage sales, which require access to the community by the general public, are prohibited.

**3.2 Animals.** Animals shall be governed by Section 3.3 of the Declaration. Pet owners are reminded that the Project is subject to city and/or county animal control laws, and the Association may elect to exercise its right to report any violations of the laws to the local governmental authorities. The Board has the right to determine, in its sole and absolute discretion, whether an animal is a generally recognized house pet and, therefore, permitted on or in a Lot subject to the provisions of the Declaration and these Rules (a "Permitted Pet"). All Permitted Pets shall be confined to an Owner's Lot except that a dog may be permitted to leave the Owner's Lot if such dog is at all times kept on a leash not to exceed six feet (6') in length and is not permitted to enter upon any other Lot. No Permitted Pet shall be allowed (i) to cause any damage to the Residential Unit or Improvements located on another Lot, or (ii) to be an annoyance or obnoxious to Owners or Residents of other Lots. No structure for the care, housing or confinement of any Permitted Pet shall be maintained so as to be Visible From Neighboring Property. Upon the written request of any Owner or Resident, the Board shall determine, in its sole and absolute discretion, whether, for the purposes of this Section 3.2 and/or Section 3.3 of the Declaration, (i) a particular pet is a Permitted Pet, or (ii) a Permitted Pet is a nuisance or making an unreasonable amount of noise. Any decision rendered by the Board shall be enforceable in the same manner as other restrictions set forth in the Declaration. Any Owner, Resident or other Person who brings or permits a pet to be on the Common Area or Neighborhood Common Area or any Lot or street shall be responsible for immediately removing any feces left by such pet.

**3.3 Maintenance of Lots.**

**3.3.1** The Board or the Architectural Review Committee may establish maintenance standards from time to time. Each Owner of a Lot shall be responsible for maintaining, repairing and replacing his Lot and the Residential Unit and all landscaping or other Improvements situated thereon (except for any portion of the Lot that is to be maintained by the Association or another Owner pursuant to the Project Documents) in a neat, clean and attractive condition consistent with the established maintenance standards or, if none exist, consistent with other properly maintained, improved Lots within the Property. All landscaping of any type shall be irrigated (to the extent necessary to maintain healthy plants), mowed, trimmed and cut at regular intervals so as to be maintained in a neat, clean and attractive manner. Any landscaping that dies shall be promptly removed and replaced with living foliage of like kind or such other kind as is permitted by the Design Guidelines (subject to Architectural Review Committee approval, if applicable). Landscaping originally planted by Declarant, its Affiliates or a Builder in the Areas of Association Responsibility may exceed the landscaping that is ultimately planned for Areas of Association Responsibility due to over-planting in anticipation of normal plant losses. Neither Declarant, the Builder nor the Association is required to replace dead or damaged landscaping if, in the reasonable discretion of the Board, (i) the remaining landscaping is acceptable, and (ii) the remaining landscaping is generally consistent in quality and quantity with the landscaping shown on the approved landscaping plans filed with governmental entities in connection with the



Property, even if the location of specific plants is different than the locations shown on such approved plans. Neither Declarant, its Affiliates nor any other installer of landscaping in Areas of Association Responsibility shall be responsible for the replacement of any landscaping that dies more than ninety (90) days following installation or that requires replacement due to weather conditions, vandalism, lack of proper watering or maintenance by the Association or the intentional or negligent acts of any other Person, and the Association shall be solely responsible for such replacement (subject to the potential recovery by the Association from any vandal or other Person causing such damage). No yard equipment, wood piles or storage areas may be maintained so as to be Visible From Neighboring Property.

**3.3.2 Seasonal Residents.** It is each Owner's responsibility to maintain his/her Lot and Residential Unit in a good and clean condition in accordance with the Declaration and these Rules 365 days a year, even though an Owner may be a seasonal Resident. Seasonal Residents must contract for and assure that maintenance is being performed during absences from Camino Verde III.

**3.3.3 Remedies.** Failure to maintain an Owner's Lot and/or Residential Unit may result in the Association taking any action available to it under the Declaration or under applicable law, including without limitation, the right to perform the maintenance at the cost of the Owner and the right of the Association to levy fines as provided for in Section 4.6 of these Rules.

**3.4 Trash Containers and Collection.** Covered trash containers provided by the City, or as otherwise approved by the Association, shall be used for trash collection. 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 of scheduled pickup.

**3.5 Parking.** Except as set forth in the Declaration, no vehicle of any kind shall be parked on any Common Area or private street located within the Project. Anything in these Rules or elsewhere to the contrary notwithstanding, the provisions of Section 3.12 of the Declaration and this Section 3.5 shall not apply to (a) vehicles of Declarant or any Builder or their respective employees, agents, Affiliates, contractors or subcontractors during the course of construction activities or sales activities upon or about the Property, or (b) vehicles used by the Association in repairing, maintaining and replacing the Common Areas and other Areas of Association Responsibility and all Improvements thereon, and in performing all other rights, duties and obligations of the Association under the Declaration.

## ARTICLE 4 POLICY OF CORRECTIVE ACTIONS AND SCHEDULE OF FINES

**4.1 Notice and Hearing.** 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. In addition to levying fines as

penalties for infractions, the Association also may exercise any other remedy available pursuant to the Declaration or pursuant to Arizona law.

#### **4.2 Violations of Design Control Provisions.**

**4.2.1** The Board shall deliver a Notice of Violation and levy a fine of \$100 against an Owner for the failure by such Owner, or by a Resident of such Owner's Lot, to obtain written approval from the Architectural Review Committee prior to constructing or installing any Improvement for which Architectural Review Committee approval is required under the Declaration and/or Design Guidelines, or for the failure to otherwise 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 delivers the Notice of Violation and 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 pursuant to a hearing requested by the Owner in accordance with the Bylaws that the fine should not be assessed.

**4.2.2** The failure by an Owner or Resident to remove or satisfactorily correct an Improvement for which Architectural Review Committee approval was required and has been disapproved by the Architectural Review Committee 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 the Declaration and pursuant to Arizona law. In addition, the Board may levy an additional fine of \$25 per day for each day an Owner fails to comply with instructions from the Board or Architectural Review Committee after expiration of the time period specified by the Board or Architectural Review Committee to remove or correct the Improvement.

**4.3 Violations of Section 3.4 of the Declaration and Section 3.4 of these Rules, Trash Containers and Collection.** The Board shall deliver a Notice of Violation and levy a fine in the amount of ten dollars (\$10) against an Owner for the failure by such Owner, or by a Resident or lessee of such Owner's Lot, to comply with Section 3.4 of the Declaration or Section 3.4 of these Rules. The Owner of each Lot shall be entitled to one (1) courtesy letter describing the violation and requiring compliance with the Project Documents prior to a Notice of Violation being delivered to the Owner. If no other violation is committed within the six (6) month period after a courtesy letter is issued, then another courtesy letter shall be issued before a Notice of Violation is delivered and a fine is levied. If more than one (1) violation is committed within any six (6) month period, no courtesy letter will be issued on the second and subsequent violations.

**4.4 Violations of Section 3.3 of the Declaration and Section 3.2 of these Rules, Animals.** The Owner of a Lot shall be subject to a fine of (i) \$25 for the first violation, (ii) \$50 for the second violation and (iii) \$100 for the third violation and each violation thereafter for the following violations of Section 3.3 of the Declaration and/or Section 3.2 of these Rules. The Owner of a Lot shall be entitled to 1 courtesy letter before the first Notice of Violation is delivered and a fine is levied.

- (i) Failure by an Owner or Resident to observe the leash rule;

- (ii) Failure by an Owner or Resident to control an animal so that it is not a nuisance, an annoyance or obnoxious and does not create an unreasonable amount of noise;
- (iii) Failure by an Owner or Resident to control an animal so that it does not damage the Residential Unit or other Improvements located on another Owner's Lot; and
- (iv) Failure by an Owner or Resident to immediately clean up after an animal on any Lot, street or other Common Area.

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

**4.5 Violations of Sections 3.12 and 3.13 of the Declaration and Section 3.5 of these Rules, Vehicles.** Owners should read and understand the provisions of Sections 3.12 and 3.13 of the Declaration, and Section 3.5 of these Rules for restrictions regarding the parking of motor vehicles. The Owner of a Lot shall be entitled to one (1) courtesy letter describing the violation and requiring compliance with the Project Documents prior to a Notice of Violation being delivered to the Owner. The failure to comply with the courtesy letter in the time provided therein, or the occurrence of any subsequent violation after the courtesy letter is sent, will result in the Board delivering a Notice of Violation and levying a fine of fifty dollars (\$50). No courtesy letter will be issued on second or subsequent violations. In addition, the Board also may exercise its rights pursuant to Section 3.13 of the Declaration by towing the vehicle, if applicable. The costs and expenses of towing the vehicle shall be charged to the owner of the vehicle and paid to the Association on demand. If the vehicle is owned by an Owner, any such amount shall be secured by the assessment lien.

**4.6 Violations of Section 7.2 of the Declaration and Section 3.3.1 of these Rules, Maintenance of Lots.** The Owner of a Lot shall be entitled to one (1) courtesy letter prior to the Board delivering a Notice of Violation and levying a fine. The failure to comply with the courtesy letter in the time provided therein will result in the Board delivering a Notice of Violation to the Owner and levying a fine of one hundred dollars (\$100). The failure to correct the violation within fourteen (14) days after the Notice of Violation is delivered to the Owner (or any other time period set forth in the Notice of Violation) will result in the Board delivering another Notice of Violation and levying an additional fine of two hundred fifty dollars (\$250). The Board also may exercise its rights pursuant to Section 7.4 of the Declaration by performing the work at the cost of the Owner.

**4.7 Violations of Section 7.8 of the Declaration, Installation of Landscaping.** The Owner of a Lot shall be entitled to one (1) courtesy letter prior to the Board delivering a Notice of Violation and levying a fine. The failure to comply with the courtesy letter in the time provided therein will result in the Board delivering a Notice of Violation to the Owner and levying a fine of one hundred dollars (\$100). The failure to correct the violation within fourteen (14) days after the Notice of Violation is delivered to the Owner (or any other time period set forth in the Notice of Violation) will result in the Board delivering another Notice of Violation and levying an additional

fine of two hundred fifty dollars (\$250). The Board also may exercise its rights pursuant to Section 7.4 of the Declaration by performing the work at the cost of the Owner.

**4.8 Other Violations of Project Documents.** Violations by an Owner of any provision of the Project Documents not specifically provided for in this Article 5 may result in the Board delivering a Notice of Violation and 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 for violations of a continuing nature, the Board may deliver a Notice of Violation and levy each of the foregoing fines within a specific period of time if the violation is not corrected within the time periods required in the Notices of Violation. Depending on the nature of the violation, the Board may, in its sole discretion (with no obligation) issue a courtesy letter prior to serving a Notice of Violation.

## **ARTICLE 5 MISCELLANEOUS**

**5.1 Complaints Concerning Violations.** An Owner or Resident may report an alleged violation to the Association by a telephone call, facsimile, e-mail or by written notice to the Managing Agent.

**5.2 Modification of Rules.** These Rules may be modified from time to time as may be deemed necessary in the sole discretion of the Board of the Camino Verde III Homeowners Association.

**5.3 Conflict.** In the event of any conflict between these Rules and the Declaration, the more restrictive provision shall control. In the event of any conflict between these Rules and the Bylaws, the Bylaws shall control.