

STANDING POLICIES OF SUNRISE MOUNTAIN RIDGE HOA

POLICY 1—Monetary Penalty

SUNRISE MOUNTAIN RIDGE HOMEOWNERS ASSOCIATION MONETARY PENALTY ENFORCEMENT POLICY RULE VIOLATION

This resolution is adopted by the Board of Directors of the Sunrise Mountain Ridge Homeowners Association, Inc., pursuant to Arizona Revised Statutes §33-1803, which provide that the Association's Board of Directors is entitled to impose fines for violation(s) of the Declaration of Covenants, Conditions and Restrictions (CC&RS), Design Guidelines, or any rules adopted by the Board of Directors. The procedure for imposing fines for such violation(s) is set forth below and supersedes any other such procedure previously adopted by the Board:

1. “Friendly Reminder” – When the violation is initially observed, the owner will be contacted by phone or email and informed of a potential violation on the property. The owner will be asked to rectify the situation within thirty (30) calendar days. The “Friendly Reminder” will be issued by the Committee, as designated by the CC&R’s. The Board of Directors will be sent a memo stating a “Friendly Reminder” has been issued with all the pertinent information.
2. “Notice of Violation” – When a violation is observed again after thirty (30) calendar days, or if the same rule or provision of the Governing Documents is subsequently violated within 90 days of its resolution, a written “Notice of Violation(s) together with a request to cease and desist from an alleged violation shall be sent to the Owner of the Lot via regular mail and shall specify:
 - (a). The alleged violation(s)
 - (b). The provision(s) of the community documents that has been violated
 - (c). The date of the violation or the date the violation was observed
 - (d). The first and last name of the person or persons who observed the violation
 - (e). A statement that unless the violation(s) is corrected, sanctions may be imposed after notice and hearing
 - (f). The process the members must follow to contest the notice
 - (g). A time period for compliance of not less than thirty (30) calendar days
 - (h). In the event that the Owner is leasing his/her home, the Association will provide a copy of the Notice of Violation(s) to the Owner’s tenant.
3. “Final Non-Compliance Notice” – If the violation(s) continues past the period allowed in the “Notice of Violation” or if the same rule or provision of the Governing Documents (CC&Rs) is subsequently violated within 6 months of its’ resolution, a written “Final Non-Compliance Notice” shall be sent to the Owner of the Lot via regular mail and shall specify:
 - (a). The nature of the alleged violation(s)
 - (b). An invitation to the homeowner to submit a written Request for Hearing with the Board of Directors to discuss the alleged violation(s)
 - (c). A time period of not less than fourteen (14) calendar days for submittal of such request
 - (d). A statement that unless the violation(s) is corrected, sanctions may be imposed
 - (e). The proposed sanction(s) to be imposed, which may include the imposition of a fine and the payment of any attorney fees incurred by the Association, in the event that the Association prevails in the suit, as allowed by the governing documents and law.
4. Hearing
 - (a). The Owner may request reconsideration of sanctions imposed by the Board.
 - (b). In order to schedule an appearance before the Board, the Owner must submit a written request to the Board of Directors after receipt of notice of the sanctions.
 - (c). The meeting shall be scheduled and the Owner notified of the date, time, and location via regular mail.
 - (d). The meeting will be held pursuant to the Notice of Hearing and Owner shall be afforded a reasonable

- opportunity to be heard.
- (e). After the meeting, the Board shall issue a ruling on whether the sanction stands, is modified or is rescinded.
 - (f). The Board shall send a written notice to the Owner of its ruling. The ruling of the Board will be final.
5. Imposition of Fine and any other Sanctions – At the conclusion of the hearing, the Board of Directors shall determine the amount of the fine to be imposed, if any, based on:
- (a). The seriousness of the violation(s)
 - (b). Whether this is a first violation or a continuing violation(s).
 - (c). Whether the type of offense poses a danger to property or any person
 - (d). Any other extenuating circumstances and whether the Owner agrees in good faith to correct the violation(s)
 - (e). Whether the amount is sufficient to obtain compliance, based on the facts
 - (f). The established schedule of fines for that specific violation
6. Examples of specific fine amounts for specific violations are: SEE ATTACHED TABLE “A” This Table will be reviewed by the Board of Directors annually to improve clarity, and to add or omit violations.
7. “Continuing Violation(s) – Each day a violation(s) continues after notice to cease has been given by the Board to the Owner constitutes a separate violation(s) and can be subject to a fine. In addition, each reoccurrence of a violation of the same nature constitutes a continuing violation(s) and can be escalated to the next level of the enforcement process. After the Board of Directors determines the amount of the fine, if any, the Board of Directors shall send notice to the Owner of the amount of the fine and its due date. The Board of Directors is empowered to impose a fine for each day that the violation(s) continues.
8. Request for Reconsideration:
- (a). The Owner may request reconsideration of sanctions imposed by the Board of Directors.
 - (b). In order to schedule an appearance before the Board, the Owner must submit a written request to the Board of Directors after receipt of notice of the sanctions.
 - (c). The meeting shall be scheduled and the Owner notified of the date, time and location via regular mail.
 - (d). The meeting will be held pursuant to the Notice of Hearing and the Owner shall be afforded a reasonable opportunity to be heard.
 - (e). After the meeting, the Board shall issue a ruling on whether the sanction stands, is modified or is rescinded.
 - (f). The Board shall send a written notice to the Owner.
 - (g). The ruling of the Board will be final.
9. Payment of the Fine and/or Penalties - The Board shall advise the Owner that any fine that is not paid within fifteen (15) days of its due date is delinquent and subject to late fees and/or interest consistent with the governing documents and applicable Arizona law.
10. Collection – Collection of any fines and penalties may be enforced against any Owner in the manner consistent with the governing documents and applicable Arizona law.

**Resolution approved by Sunrise Mountain Ridge Homeowners Association,
Inc., Board of Directors on September 21, 2018.**

TABLE A- SCHEDULE OF FINES

This Table will be reviewed annually by the SMR Board of Directors to improve clarity and to add or delete a violation(s).

Major Violation Categories	30 days after “Formal Notice of Violation”	60 days after “Formal Notice of Violation”	90 days after “Formal Notice of Violation”
Owner/Renter Caused Violations	\$200	\$400	\$600 Plus Cost to File Property Lien
Health/Safety Violations	\$200	\$400	\$600 Plus Cost to File Property Lien
Property Appearance Violations	\$100	\$300	\$500 Plus Cost to File Property Lien

OWNER/RENTER CAUSED VIOLATIONS

Owner/Renter removes or damages any trees or plants from HOA Common Area without permission.
 Owner/Renter modifies irrigation system on HOA Common Area without permission.
 Owner/Renter dumps trash or other debris in HOA Common Area.
 Owner/Renter destroys or defaces any HOA Property.
 Owner/Renter plants trees or shrubs in the HOA Common Area without permission.
 Parking vehicles on-street (except for social events or commercial service) or on unpaved areas.
 Parking vehicles on off-street common areas.
 Parking/storage of recreational vehicle on lots/ in driveways (except within enclosed garage) without permit issued by the Board.
 Parking/storage of junked or inoperable vehicles on lots/in driveways (except within enclosed garage).
 Sponsoring a garage, yard, estate or moving sale, or any ongoing commercial enterprise that requires traffic to/from a residence.

HEALTH/SAFETY VIOLATIONS

Sidewalks and or driveways will be classified as “Hazardous” and requiring repair when on one or more of the below standards is identified during an inspection:

1. Vertical or horizontal separations equal to or greater than 3/4".
2. Holes or depressions equal to or greater than 3/4".
3. Spalling over fifty (50%) percent of a single square with a depression equal to or greater than 3/4".
4. A single square cracked into more than three (3) pieces OR sections distorted equal to or greater than 3/4".
5. Sidewalk is raised (or depressed) more than 2" in an 8' - 10' length from the normal grade of the sidewalk.

Private Property trees roots posing structural problems for walls, sidewalks, driveways, water, sewer or irrigation system.

Failure to keep dogs on leash.

Failure to keep dogs inside yard walls.

Failure to remove and hygienically dispose of pet waste left on other owners' lots or in common areas.

Bringing Pets into Spa or Pool Areas.

Violation of any Pool, Spa, Clubhouse, or Tennis/Pickleball Court Rules.

Failure to keep outside front post light lit from dusk to dawn, 365 days per year.

Parking on the street in a manner that obstructs emergency vehicles and waste collection vehicles from getting through.

Parked vehicles that block the sidewalks.

Parked vehicles overnight on the street

PROPERTY APPEARANCE VIOLATIONS

Not Making Resale Inspection Corrections

Non-adherence to SMR's published Yard Appearance Rules and Regulations.

Non-adherence to SMR's published Architectural Design Reference (ADR's).

Revised: November 13, 2018. Renewed: January 8, 2019

POLICY 2—Conflict of Interest Sunrise Mountain Ridge HOA

No member of the Sunrise Mountain Ridge HOA Board of Directors or any of its committee chairs shall derive any personal profit or gain, directly or indirectly, by reason of his or her participation with the HOA. Each such individual shall disclose any personal interest which he or she may have in any matter pending before the HOA and shall refrain from participation in any decision on such matter.

Similarly, no such person shall participate in any decision in regard to or receive any personal benefit from a vendor or supplier of goods or services to the HOA if such person is affiliated with the vendor as an officer, board member, staff member or consultant.

I understand and agree to abide by this policy.

_____ Signature

_____ Printed name

Date:

Approved: June 11, 2009. Renewed: 1/9/18

POLICY 3--Political Sign Policy Sunrise Mountain Ridge HOA

SMR permits two-sided political signs to be placed on a member’s property only. No signs are allowed on common areas. Signs may be displayed no more than 55 days before the election and must be removed no more than 15 days after the election.

The total square footage of the signs on a member’s property shall not exceed nine square feet. All allowed political signs must be commercially produced.

This policy complies with Arizona Revised Statutes, Section 33-1808(C).

Revised: February 9, 2012 Renewed: January 8,2019

POLICY 4--Fee Simple Title Sunrise Mountain Ridge Policy Statement

A small number of residents of Sunrise Mountain Ridge do not hold fee simple title to the property they are occupying but are instead beneficiaries of trusts which hold title to the property though not fee simple title.

For purposes of determining who is an owner under Section 5 of the By-Laws of Sunrise Mountain Ridge, such trust beneficiaries shall be deemed to hold title in fee simple and thus shall be deemed the owner of the property.

Approved: 1/9/15. Renewed: 1/8/2019

POLICY 5--Reserve Fund Management Sunrise Mountain Ridge HOA

The Association's reserve funds shall be held in FDIC-insured bank accounts approved by the Board of Directors.

Movement of funds between reserve accounts and operating accounts shall occur according to the following schedule.

General – Payments for reserve expenses are issued out of the operating fund checking account. A transfer from a reserve fund bank account shall reimburse the operating account within 30 days following payment.

February—Transfer 1st 1/2 reserve assessment from checking to reserve

August—Transfer 2nd 1/2 reserve assessment from checking to reserve

December – If approved at the annual meeting, transfer prior year operating surplus, if any, from checking to reserve.

Transfers in these months shall be made as soon as reasonably possible after the receipt by the Treasurer of financial statements for the month prior to the month specified above.

All transfers are done electronically, except when the relevant bank charges a fee for such transfers. Then the transfer may be done by check.

No variance from this policy shall be allowed unless it is first approved by the President and then reported to the next meeting of the Board of Directors for its review.

Each month the Treasurer's Report to the Board shall include a calculation of the reserve fund balance which includes the total reserve bank account balances with an adjustment for any account transfers not yet made.

Each spring when the audit for the prior year is complete and each fall in September, the Budget Finance Committee shall provide a report to the Board on the status of the reserve fund, its balances, unspent budget reserve funds for the year, reserve study indicators for projects for the year and for reserve fund balances. The intent of the report shall be to insure the Board has an up to date understanding of the reserve fund and any issues concerning the fund that need Budget Finance Committee or Board of Directors attention.

Revised: January 8, 2019. Approved: January 8, 2019.

POLICY 6 - Bank Account Management

It is the policy of Sunrise Mountain Ridge HOA that each of its bank accounts (checking, money market, savings, and certificates of deposit), shall require two signatures for their administration, including opening, closing, rolling over or otherwise managing an account.

Payments:

The signers shall include the President, Vice President, Secretary, and Treasurer. A single signature is required for checks up to \$250. Two signatures are required for amounts over \$250.

Exceptions to above rule:

- 1) Bills for utilities (electricity, gas, water) will be automatically deducted from the HOA checking account. The bills will be reviewed by the Committee Chairpersons and Treasurer.
- 2) Bills for waste disposal (currently from Republic Services) are a fixed monthly amount and will be automatically charged to the HOA credit card. The Treasurer will review the monthly amount.
- 3) Bills for monthly dumpster disposal (currently from Republic Services) shall be reviewed by the Landscape Chairperson and Treasurer. The bill will be automatically charged to the HOA credit card. 30% of the bill will be paid by Infinity Earthscapes. (The amount will be deducted from Infinity Earthscape's monthly contract.)
- 4) Bills for swimming pool maintenance and repairs (currently from E-Konomy Pool) will be automatically charged to the HOA credit card. The Recreation Committee Chairperson and Treasurer will approve the monthly invoice.
- 5) The monthly credit card statement and debit card account will be reconciled to ensure that each charge has a receipt and has been approved by the Committee Chairperson. After the statement is reconciled, the Treasurer will approve it for payment, and make an electronic funds transfer (EFT) to pay this bill.
- 6) The bookkeeper, Cadden Community Management, shall be allowed to sign checks from the Alliance Association Bank operating account for the management and administration of HOA expenses. One signature by a representative of the firm shall be sufficient. Cadden may also make deposits for any income received by the HOA.

The President and Treasurer, acting jointly and in writing, shall have the authority to make exceptions to this policy when it is in the best interests of the HOA.

Revised: January 8, 2019. Renewed: January 8, 2019

POLICY 7 - Approved Uses of Association Clubhouse

It is the policy of Sunrise Mountain Ridge HOA that its clubhouse is for the use of the Association, its members and their guests. This includes residents offering classes at the clubhouse which are approved by the Sunrise Mountain Ridge Board of Directors. Any non-resident participating in a class on a regular basis as of February 13, 2014 shall be allowed to continue to participate.

Any use of the clubhouse by other individuals or organizations requires the approval of the Board of Directors. If for some reason time does not allow getting such approval, the use may be approved by the Executive Committee.

The clubhouse may never be used for a commercial enterprise. Should a clubhouse user suggest donations for participants in an activity at the clubhouse, the donation should be minimal and designed only to recover costs of equipment and materials necessary for the activity.

Revised January 8, 2015. Renewed: 1/8/2019

POLICY 8 **Sunrise Mountain Ridge Homeowners Association (SMRHOA) Terms of Use and Fee Schedule for Recreation Facilities Key**

Purpose

Since SMRHOA members bear the maintenance and replacement costs and liability for the recreation facilities, the purpose of this document is: to limit facility access to homeowners and their occasional guests; to establish the terms of use of recreation keys; and to document the method for controlling facility keys.

Terms of Use for SMR HOA Recreation Keys

It is strictly forbidden for unescorted persons under the age of 14 to be given use of an SMR Recreation Key.

Recreation facility keys belong to Sunrise Mountain Ridge Home Owners Association (SMR HOA). *The keys are part of a numbered key security system and cannot be duplicated.*

An owner or lessee will receive a uniquely numbered key which unlocks the gates to the pools, tennis court and restrooms. The key number will be recorded in SMR records noting Owner/Lessee and lot address as they are issued. A key user may be asked to show his or her key at any time. Misconduct, vandalism or breaking the rules at any recreation facility may result in loss of the right to use a facility and mandatory return of the key. Rules are posted at each facility.

Owner Key Fees

The first key is provided at NO FEE to a property owner. An additional key may be obtained for a \$25 DEPOSIT per key after presenting the first key. The limit is two keys for each household address. The replacement FEE for a lost key is \$25 per key. The FEE for each key not returned upon sale of the property by Owner is \$25.

Lessee Key Deposit

A key may be provided to a Lessee through the real estate management company or property owner for a \$50 DEPOSIT refundable to the management company/owner when the lease is terminated and the key is returned to the Recreation Chair or designate. The limit per address is one key. If an Owner provides his/her key to a Lessee, the Owner remains responsible for replacement of the key if not returned.

Revised: January 9, 2018. Renewed: 1/8/2019