

RULES & REGULATIONS

BLACKHAWK HOMEOWNERS ASSOCIATION, INC. DECLARATION OF RESTRICTIONS AND COVENANTS VIOLATION PROCEDURES

The Arizona Legislature recently passed a number of laws that apply to homeowners associations and which become effective August 6, 2016. These laws establish new requirements for the ways that homeowners associations enforce violations of their governing documents.

The following procedures were developed to assist our Board in complying with all current violation legislation.

VIOLATION DETERMINATIONS

1. The Board of Directors shall determine the validity of all alleged violations of the Association's Declaration of Restrictions and Covenants.

INFORMAL RESOLUTION EFFORTS

2. In the interest of harmonious relationships within the Association, initial efforts may be made to investigate and deal with violations on an informal basis before resorting to the formal procedures outlined in the Association's governing documents and Arizona statutes. Such initial efforts may include but not be limited to "courtesy" or "warning" telephone calls or brief notices. Should the initial efforts to resolve violations on an informal basis prove to be unsuccessful, the formal procedures set forth in the remainder of this text will be followed.

FORMAL RESOLUTION EFFORTS

3. If substantive evidence confirming one or more violations continues to exist, the Board will send an initial violation letter.
4. The property owner then has 10 business days from the date of the initial violation letter to send the Board a written response. The property owner's response must be sent by certified mail to the Association's address contained in the violation letter.

PROPERTY OWNER RESPONDS

5. If the property owner responds, the Board then has 10 business days from the date of the response to provide a more detailed written explanation of the violation that was described in the initial violation letter. The explanation must include the following:
- The provision of the governing document that has been violated, to include an exact reference.
 - The date of the violation or the date the violation was observed.
 - The first and last name of the person who observed the violation.
 - The process the property owner must follow to contest the notice.
 - Options available to contest the notice.

The “Violation Notice Form” shall be used for this purpose.

PROPERTY OWNER FAILS TO RESPOND

No Response To The Initial Violation Letter

6. If the property owner does not respond within 10 business days after the date of the initial violation letter, noted in paragraph 4 above, the Board or the Association’s attorney will then send a certified letter that includes the information described immediately above, plus the appropriate fine schedule. This letter shall formally advise the property owner of the Board’s intent to take action 15 business days after the date of the letter to enforce the applicable provisions of the Declarations of Restrictions and Covenants and to begin the collection of all applicable fines.

No Response To The Violation Notice Form

7. If the property owner does not respond within 10 business days after the date of the “Violation Notice Form,” noted in paragraph 5 above, the Board or the Association’s attorney will then send a certified letter to the property owner that includes the appropriate fine schedule. This letter shall formally advise the property owner of the Board’s intent to take action 15 business days after the date of this letter to enforce the applicable provisions of the Declarations of Restrictions and Covenants and to begin the collection of all applicable fines.

NOTES: The Board shall not proceed with any action to enforce the Association’s governing documents or assess any fines before or during the time involved in the exchange of information.

Any monies paid by a property owner for an unpaid penalty or fine shall be applied first to the unpaid principal amount and then to any interest accrued.

The Board shall not impose a charge for a late payment of a penalty or fine that exceeds the greatest of \$15 or 10% of the amount of the unpaid penalty.

I, the undersigned, as the duly elected and acting Secretary of the Blackhawk Homeowners Association, Inc., do hereby certify that the above document has been accepted and officially amended by the Blackhawk Homeowners Association's Board of Directors on 7/13/16 to become effective as of 8/6/16.

A handwritten signature in cursive script that reads "Susan Drake".

Signature of Corporate Secretary

**BLACKHAWK HOMEOWNERS ASSOCIATION, INC
P.O. Box 448, Prescott, AZ 86302**

**DECLARATION OF RESTRICTIONS AND COVENANTS
VIOLATION NOTICE FORM**

Lot Owner(s): _____

Lot Number: _____ Address _____

The following condition was observed on your property: _____

This condition is in violation of the following section(s) of the Association's governing documents: _____

This violation condition occurred or was observed on the following date(s): _____

The first and last name(s) of the person or persons who observed the violation is/are:

The following options are available to you to contest this violation:

Option #1: You may contest this notice by appearing at the next Board meeting on

_____ at _____.

The Board must receive confirmation of your election to appear within 10 business days of the date of this notice. If you fail to respond to this notice within this 10 business day time period, the Board will take steps to enforce the appropriate provisions of the Association's governing documents and move to collect all applicable fines. Fines imposed, if any, will be enforced in the same manner as unpaid assessments pursuant to the Association's assessment collection policy and practices. (Considering the implications of this Notice, your right to be heard in person at this Board meeting may be of significant importance to you.)

Option #2: You may contest this notice by sending a letter setting forth your position.

The Board must receive your letter within 10 business days of the date of this notice. If you fail to respond to this notice within this 10 business day time period, the Board will take steps to enforce the appropriate provisions of the Association's governing documents and move to collect all applicable fines. Fines imposed, if any, will be enforced in the same manner as unpaid assessments pursuant to the Association's assessment collection policy and practices.

Option #3: Pursuant to Section 41-2198.01, you are hereby provided written notice that you, the unit owner, have the option to petition for an administrative hearing on this matter to the Arizona Department of Real Estate. There may be a filing fee the petitioner is required to pay.

Important Note: For your information, attached is a summary of the Association's Fine Schedule. The fines set forth in this Schedule may or may not apply to your reported violation. At this time they are simply being furnished to make you aware of their existence as part of the Association's enforcement policy.

Date of Form Completion: _____

Name and title of person completing this Form: _____

BLACKHAWK HOMEOWNERS ASSOCIATION, INC.
P. O. Box 448, Prescott, AZ 86302

GOVERNING DOCUMENTS VIOLATION COMPLAINT FORM

Address of the property where the alleged violation took or is taking place: _____

Date(s) of the violation: _____

Description of the violation: _____

The first and last name of the person who observed the violation: _____

Per Arizona law (A.R.S. 33-1803) any complaint reported to the Association **will not** remain anonymous. The person complaining of the alleged violation must submit his or her first and last name with this complaint form. Failure to do so will invalidate the complaint.

All of this information will be furnished to the party who is accused of the violation.

Complaint Form completion date: _____

Signature of the person reporting the violation: _____

Rules & Regulations

Non-Compliance Fine Schedules

The following is a summary of the present fine schedules that apply to violations of the Blackhawk Homeowners Association's governing documents. Regulations that require compliance can be found in the Blackhawk Homeowners Association's Bylaws, CC&Rs, Architectural Control Committee Standards and Procedures, and Rules & Regulations. All members of the Association are encouraged to read their Associations' governing documents, comply with their requirements, and avoid being subject to fines. Copies of any or all of these documents are available upon request.

If no fine schedule currently exists for a proven violation, the Blackhawk Homeowners Associations' Board of Directors reserves the right to establish such and apply it retroactively. Any retroactive fine amount will be consistent with the nature of the violation.

Current and future fine schedules will be increased as needed to cover all expenses incurred to correct violations, plus any legal costs related to their enforcement and/or fine collection.

A. Home Occupation/Business violation (to include Baby Sitting/Day Care, whether profit or non-profit).

FINE SCHEDULE: \$50 a day for the first 10 days of noncompliance, \$75 a day for the second 10 days of noncompliance and \$100 for each day thereafter.

B. Weed Control violation on vacant or occupied properties.

FINE SCHEDULE: \$25 for each day of noncompliance.

C. Utility Trailers and Boats On-Street Parking violation. (*The City allows parking of these vehicles only for loading and unloading.*)

FINE SCHEDULE: \$50 for each day of noncompliance.

D. Unpaid Annual Association Assessment Fee violation.

FINE SCHEDULE: Bills will be considered in arrears after December 31st. Per AZ statute 33-1803 section A: "Charges for the late payment of assessments are limited to the greater of fifteen dollars or ten percent of the amount of the unpaid assessment. Any monies paid by the member for an unpaid assessment shall be applied first to the principle amount unpaid and then to the interest accrued."

E. Failure to secure Architectural Control Committee and Board approval for primary or accessory-use construction. This would cover items such as:

- All buildings and accessory structures including original, additional, and remodel construction.

- Grading or any land alterations.
- Exterior changes which include: lighting, screening structures, decks, roofing, walls, retaining walls, mailboxes, ramps, steps, fences, paving, patios, spas, pools, antennas, materials, and colors.
- Formal or major landscape plan improvements involving the addition of trees, shrubs, or plant material. Minor plantings after major landscaping plan approval would not be included.
- Alterations or additions to any of the above.

FINE SCHEDULE: \$250.00 per violation.

F. Failure to comply with Architectural Committee and Board approval for primary or accessory-use construction outlined in Section E.

FINE SCHEDULE: \$10.00 for each day of noncompliance.

G. Failure to comply with Ham Radio Antenna restrictions.

FINE SCHEDULE: \$10.00 for each day of noncompliance.

H. Failure to comply with requirements for out-of-sight storage of trash containers used for garbage and refuse disposal.

FINE SCHEDULE: \$5.00 for each day of noncompliance.

I. Failure to comply with requirements for closed garage doors.

FINE SCHEDULE: \$10.00 for each day of non-compliance. (Non-compliance days do not need to be consecutive.)

J. Failure to comply with signage restrictions and limitations.

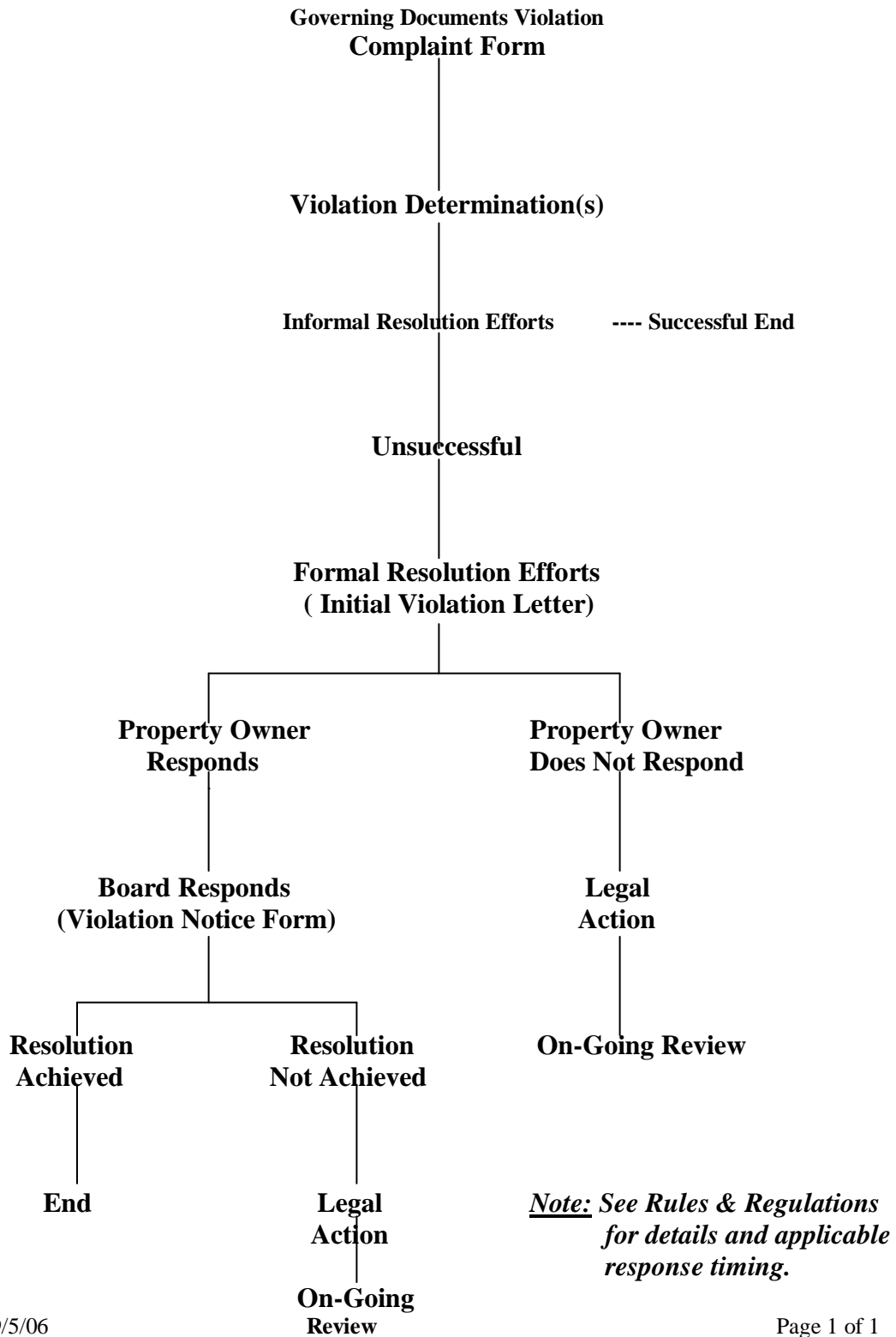
FINE SCHEDULE: \$5.00 for each day of noncompliance

I, the undersigned, as the duly elected and acting Secretary of the Blackhawk Homeowners Association, Inc., do hereby certify that the above document, consisting of amended as well as restated text, has been officially adopted by the Blackhawk Homeowners Association's Board of Directors on September 11, 2013 to become effective as of September 11, 2013.



Signature of Corporate Secretary

Violation Procedure(s) Flow Chart



Rules & Regulations Property

Ownership Transfer Fee

As part of the Blackhawk Homeowners Association's governing documents, this affirms the Board of Directors continued authorization to charge a property ownership transfer fee in an amount to be determined from time to time by the Board of Directors.

The amount of the fee is intended to reimburse the Association for expenses incurred in changing its records and providing appropriate documents to new buyers.

The current transfer fee is \$200.

I, the undersigned, as the duly elected and acting Secretary of the Blackhawk Homeowners Association, Inc.,*do hereby certify that the above document regarding the continuation of property ownership transfer fees has been officially adopted by the Blackhawk Homeowners Association's Board of Directors on September 8, 2010.



Susan Orschi

Signature of Corporate Secretary