

FOREST TRAILS HOMEOWNERS' ASSOCIATION
RULES AND REGULATIONS
COMPLIANCE AND ASSESSMENT COLLECTION POLICIES
Updated March 2019/Effective May 17, 2019

INTRODUCTION

The Amended and Restated Declaration of Covenants, Conditions and Restrictions of Forest Trails Unit One which is applicable to all of the property administered by the Forest Trails Homeowners' Association (the "Declaration" or CC&Rs) and Arizona law empowers the Board of Directors to adopt reasonable rules and regulations aimed at restricting and governing activities in our community and to enforce those rules and regulations.

These rules are not intended to control the lives of the Association members in an unreasonable manner. Rather, they were created to prevent any individual homeowner from creating conditions on his or her lot which could adversely affect the value of other homes in our community or could negatively impact the safety of our neighborhood. In fact, many of the rules set forth herein are merely restatements of limitations contained in the Declaration. Those rules are included here to make it easier for the homeowners by enabling them to look primarily to one document to determine what activities are restricted.

You should carefully read this entire document and be aware of your rights and obligations as a member of the Forest Trails community. Also, keep in mind that homeowners are liable for any and all damages caused by their invitees, guests and tenants and additionally are liable for any violation of the Declaration or these rules and regulations by such individuals.

This document supersedes any prior rules and regulations and becomes part of the Declaration applicable to the properties administered by the Association; provided however, the terms of the Declaration shall in all cases govern over these rules and regulations. In the event of a conflict between a provision hereof and a provision of the Declaration, the provision of the Declaration will prevail. Nothing contained herein shall be deemed to limit the applicability of the provisions of the Declaration. Further, the applicability to the Declarant (as defined in the Declaration) of certain of the provisions hereof may be limited by the provisions of the Declaration. In addition, these rules and regulations are subject to amendment by the Board from time to time hereafter.

FOREST TRAILS HOMEOWNERS' ASSOCIATION
 RULES AND REGULATIONS
 COMPLIANCE AND ASSESSMENT COLLECTION POLICIES
 Updated March 2019/Effective May 17, 2019

TABLE OF CONTENTS

RULES and REGULATIONS		
#	Name	Page #
1.	Alteration: Lot or Residence	4
2.	Antennas	4
3.	Automobile Maintenance	4
4.	Building Repair and Painting	4
5.	Clothes Drying Facilities	5
6.	Compliance with Law	5
7.	Drainages/Waterways	5
8.	Exterior Light Fixtures	5
9.	Firewood Storage	5
10.	Flagpoles	6
11.	Garages	6
12.	Garage and Estate Sales (Private)	6
13.	Garbage/Recycling Containers	6
14.	Holiday Decorations	6
15.	Lawn and Roof Ornaments	7
16.	Licensed Contractors	7
17.	Lot and Structural Maintenance	7
18.	Machinery and Equipment	7
19.	Mailboxes	7
20.	Nuisances	7
21.	Outside Storage	8
22.	Painting	8
23.	Parking	9
24.	Parking Exceptions	9
25.	Pets	10
26.	Rental of Homes	11
27.	Signs: Commercial	12
28.	Signs: Contractor	12
29.	Signs: For Sale or For Lease	12
30.	Signs: Legal Proceedings	13
31.	Signs: Security	13
32.	Signs: Political	13
33.	Signs: Temporary	13
34.	Signs: Maintenance	14
35.	Signs: Compliance	14
36.	Single Family Residency	14
37.	Solar Energy and Air Conditioning	14
38.	Speeding	14

FOREST TRAILS HOMEOWNERS' ASSOCIATION
 RULES AND REGULATIONS
 COMPLIANCE AND ASSESSMENT COLLECTION POLICIES
 Updated March 2019/Effective May 17, 2019

RULES and REGULATIONS—Continued		
#	Name	Page #
39.	Temporary Occupancy	14
40.	Tennis/Pickleball Court and Other Recreational Areas	15
41.	Trees and Shrubs	16
42.	Variances	17
43.	Window Glass and Glass Treatments	17
COMPLIANCE AND ENFORCEMENT		18
COLLECTION POLICIES		23

FOREST TRAILS HOMEOWNERS' ASSOCIATION
 RULES AND REGULATIONS
 COMPLIANCE AND ASSESSMENT COLLECTION POLICIES
 Updated March 2019/Effective May 17, 2019

#	TOPIC	RULE/REGULATION
1.	Alteration: Lot or Residence	<ul style="list-style-type: none"> • No building, structure, fence or wall shall be erected, placed or altered on any lot within Forest Trails until the construction plans and specifications and a plan showing the location of the structure upon the site have been approved by the Association's Architectural Committee. • An owner shall not alter the topographic conditions of his lot or create visible scarring of the hills and rocks without the prior consent of the Architectural Committee. • No structure or object on a lot, visible from neighboring properties, shall be painted or re-painted a color different than the color approved by the Architectural Committee. Roof flashing and other materials that reflect light on to neighboring properties are not permitted.
2.	Antennas	No dish which exceeds one meter in diameter or diagonal measurement, or any television or radio antenna or any mast may be placed, installed constructed or kept on any lot without the prior written approval of the Association's Architectural Committee. Refer to the ARC Guidelines.
3.	Automobile Maintenance	<ul style="list-style-type: none"> • No repair or maintenance work shall be performed on any Motor Vehicle or other equipment except wholly within an enclosed garage. • Motor Vehicles in an inoperative condition shall not be regularly or permanently stored anywhere on the property except in the homeowner's garage. • All Motor Vehicles other than those stored in the homeowner's garage must have current license tags. • See #22 – Parking for more information.
4.	Building Repair and Painting	<ul style="list-style-type: none"> • Buildings and structures on any lot shall at all times be kept in good condition and repair and adequately painted or otherwise finished. • No homes and other structures, including fences, may be painted or stained without the prior approval in writing by the Association's Architectural Control Committee (ACC). • Members must select colors from the approved paint palette.

FOREST TRAILS HOMEOWNERS' ASSOCIATION
 RULES AND REGULATIONS
 COMPLIANCE AND ASSESSMENT COLLECTION POLICIES
 Updated March 2019/Effective May 17, 2019

#	TOPIC	RULE/REGULATION
5.	Clothes Drying Facilities	Outside clothes lines or other outside facilities for drying or airing clothes as well as the drying of clothes, towels or other similar items shall not be visible from neighboring property or from the street.
6.	Compliance with Law	<ul style="list-style-type: none"> • No immoral, improper, offensive, or unlawful use may be made of any property. • Members will comply with and conform to all applicable laws and regulations of the United States and state and local ordinances, rules, and regulations. • Members will save the Association or other members harmless from all fines, penalties, costs, and prosecutions for the violation thereof or noncompliance therewith. • Any use of the property that constitutes waste will not be permitted.
7.	Drainages/ Waterways	No lot owner shall alter in any way the approximately eight-foot drainage areas along the Association roadways or the drainage easements located on the owner's property without the prior consent of the Association's Architectural Committee.
8.	Exterior Light Fixtures	<ul style="list-style-type: none"> • All exterior light fixtures and lights shall be subject to the approval in writing of the Association's Architectural Committee and shall not have an obtrusive appearance or glare visible on any neighboring lot or parcel. • Exterior security lights and spot or floodlights shall be directed downward so that they do not illuminate any ground area beyond the subject property line. Exterior light fixtures shall be one of the following: <ol style="list-style-type: none"> 1. Fixtures fully screened with opaque material causing the light to indirectly illuminate the ground, wall planes or landscaping; 2. Fixtures with lenses that fully obscure the light source (bulb) with a frosted incandescent source with a maximum cumulative output of 50 watts per fixture or equivalent alternate source; or • Fixtures with lenses that are clear or tinted with a frosted incandescent source with a maximum cumulative output of 50 watts or an equivalent alternate source.
9.	Firewood Storage	Firewood may not be stored outdoors unless it is in an area that is adequately screened so that it is not visible from any

FOREST TRAILS HOMEOWNERS' ASSOCIATION
 RULES AND REGULATIONS
 COMPLIANCE AND ASSESSMENT COLLECTION POLICIES
 Updated March 2019/Effective May 17, 2019

#	TOPIC	RULE/REGULATION
9.— cont.	Firewood Storage— continued	neighboring properties and is stored in compliance with all applicable laws.
10.	Flagpoles	Installation of a permanent free-standing flagpole will be allowed upon written approval from the Association's Architectural Committee. Refer to the ARC Guidelines.
11.	Garages	<ul style="list-style-type: none"> • Garages shall not be converted for living or for recreational activities, e.g. shops, in a manner which would prevent the garage from being used by the homeowner to park the number of Motor Vehicles that it was designed to hold. • Garage doors shall be kept closed at all times except for necessary and temporary ingress and egress.
12.	Garage and Estate Sales (Private)	<ul style="list-style-type: none"> • Each homeowner may have a maximum of two private sales (e.g. garage sales and/or estate sales) each calendar year at their home. Any garage sale or estate sale permitted by this rule shall be held between the hours of 8:00 a.m. and 4:00 p.m. and shall not be held for more than two consecutive days. • Individuals holding any such permitted sale must ensure that all sign and parking regulations of the Association and the City of Prescott are followed.
13.	Garbage/Recycling Containers	<ul style="list-style-type: none"> • All garbage, recycling and trash must be stored in covered containers in a location not visible from neighboring properties except when placed outside for collection. • Garbage containers may not be placed outside before noon on the day prior to the day of the pick-up, and containers should be removed by midnight of the pick-up day. • All garbage must be bagged, canned or boxed so it cannot blow about or be scattered by birds or animals.
14.	Holiday Decorations	Holiday decorations are permitted to be installed without approval of the Association's Architectural Committee; provided however, such decorations shall be installed or erected no earlier than thirty (30) days prior to the subject holiday and shall be removed no later than twenty (20) days after such holiday. All holiday decorations shall be turned-off by 10:00 p.m. each evening.

FOREST TRAILS HOMEOWNERS' ASSOCIATION
 RULES AND REGULATIONS
 COMPLIANCE AND ASSESSMENT COLLECTION POLICIES
 Updated March 2019/Effective May 17, 2019

#	TOPIC	RULE/REGULATION
15.	Lawn and Roof Ornaments	Except as permitted under the rule regarding holiday decorations, no lawn or roof ornaments or other decorative items visible from neighboring properties are permitted without the prior consent of the Association's Architectural Committee.
16.	Licensed Contractors	<ul style="list-style-type: none"> • Only contractors licensed by the State of Arizona are permitted to build or remodel residences in Forest Trails.
17.	Lot and Structural Maintenance	<ul style="list-style-type: none"> • Each lot owner shall at all times maintain the yard, landscaping, and the exterior of the structures thereon in neat and clean condition and repair. • Any damage or destruction to the lot or the structures thereon, which damage or destruction is visible from any neighboring property, shall be promptly repaired. • Easements for driveways shall be maintained in suitable condition for passenger car travel and have dust free, hard surfaces.
18.	Machinery and Equipment	<ul style="list-style-type: none"> • No machinery or equipment of any kind shall be placed, operated or maintained upon any lot except such as is usual or customary in connection with the use or maintenance of a residence, related structures or other improvements or that which the Association may require for the construction, operation and maintenance of the Association common properties. • Any such permitted machinery or equipment shall be acoustically screened so as not to create an unreasonable or unnecessary noise or vibration audible to neighboring properties and screened so as not to be visible from neighboring properties or the street.
19.	Mailboxes	<ul style="list-style-type: none"> • Mailboxes shall be of the type, color and shall be located as approved by the Association's Architectural Committee. Mailboxes shall be installed in accordance with United States Postal Service regulations. • Mail boxes and mail box structures must be maintained in good condition
20.	Nuisances	<ul style="list-style-type: none"> • No activity shall be permitted on any lot that may disturb the quiet enjoyment of any other lot. • No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any

FOREST TRAILS HOMEOWNERS' ASSOCIATION
 RULES AND REGULATIONS
 COMPLIANCE AND ASSESSMENT COLLECTION POLICIES
 Updated March 2019/Effective May 17, 2019

#	TOPIC	RULE/REGULATION
20.– cont.	Nuisances—cont.	<p>property, and no odors shall be permitted to arise therefrom, so as to render any such property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to its occupants.</p> <ul style="list-style-type: none"> • No Motor Vehicle shall be operated within Forest Trails except by a licensed operator. • No Motor Vehicle or Recreational Apparatus shall be operated so as to create a loud or annoying noise. • No exterior horns, whistles, bells or sirens, except security devices used exclusively for security purposes, shall be located or used on any property located within Forest Trails.
21.	Outside Storage	<p>Personal property other than barbeques and lawn and/or deck furniture may not be stored outside of a residence or garage unless totally screened from view from neighboring properties.</p>
22.	Painting	<p>See #4. – Building Repair and Painting for more information.</p>
23.	Parking	<p>The term “Motor Vehicle” as used in these rules and regulations shall include without limitation, automobiles, sport utility vehicles (SUVs”), pick-up trucks, vans, trucks, recreational vehicles, buses and motor homes.</p> <ul style="list-style-type: none"> • Each homeowner must provide adequate parking inside his or her garage for all Motor Vehicles regularly or permanently parked on the owner’s lot; however, parking of automobiles, SUVs and noncommercial pickups may, in the Board’s discretion, be allowed on the paved areas outside of the garage but only if all of the following conditions are met: <ol style="list-style-type: none"> 1. The enclosed structure (i.e. the garage) is fully utilized for parking the number of Motor Vehicles for which it was designed and 2. A written request (Parking Variance Request) is made to the Board which must include <ol style="list-style-type: none"> a) a description of the Motor Vehicles owned by the applicant, b) the number of enclosed parking spaces available and

FOREST TRAILS HOMEOWNERS' ASSOCIATION
 RULES AND REGULATIONS
 COMPLIANCE AND ASSESSMENT COLLECTION POLICIES
 Updated March 2019/Effective May 17, 2019

#	TOPIC	RULE/REGULATION
23.— cont.	Parking—cont.	<p>c) a general description of where the unenclosed parking will occur and</p> <ol style="list-style-type: none"> 3. The area where the automobile, SUV or noncommercial pickup is to be parked is in the sole opinion of the Board adequately screened from the view of neighboring properties. 4. At its discretion, the Board may approve or deny the Parking Variance Request. <ul style="list-style-type: none"> • Only automobiles, SUVs and noncommercial pickups shall be parked outside the homeowner's garage overnight or on a regular or permanent basis except as required by law. • Recreational apparatus such as boats, trailers, motorcycles, off-road vehicles and non-motorized and/or inoperable vehicles and equipment and similar apparatus ("Recreational Apparatus") <ol style="list-style-type: none"> 1. may not be parked outside the homeowner's garage and 2. may be parked in a homeowner's garage only if the parking thereof in the garage will not prevent the homeowner from parking all of his or her Motor Vehicles in the garage. • No parking is permitted on paved Association roadway areas. Any vehicle parked on paved Association roadway areas will be subject to being towed away at the owner's expense. • No regular or permanent parking shall be permitted on the unpaved portions of any lot or street right-of-way. Parking should not create a hazard for other vehicles using the roadway. • In the event a homeowner has a guest or guests that will be parking outside the owner's garage for more than four days, the homeowner should notify the Association's management company. Such notice should include a description of the guest's vehicle and the time period for which the parking will occur.
24.	Parking Exceptions	<ul style="list-style-type: none"> • Notwithstanding the foregoing, the Board will allow the following exceptions: <ol style="list-style-type: none"> 1. Utility trailers may be temporarily parked during daylight hours while actively being used in work projects provided that such parking does not create

FOREST TRAILS HOMEOWNERS' ASSOCIATION
 RULES AND REGULATIONS
 COMPLIANCE AND ASSESSMENT COLLECTION POLICIES
 Updated March 2019/Effective May 17, 2019

#	TOPIC	RULE/REGULATION
24.— cont.	Parking Exceptions— cont.	<p>a hazard.</p> <ol style="list-style-type: none"> 2. Trucks such as delivery trucks and moving vans may be temporarily parked while actively being used for their intended purposes. 3. Recreational vehicles may be temporarily parked during daylight hours when preparing for or returning from a trip. 4. Homeowners may park their recreational vehicles in their driveway for not more than two consecutive nights nor more than four nights in any calendar month solely for the purpose of loading, unloading or cleaning the vehicle. <ul style="list-style-type: none"> ○ The term “cleaning” includes interior cleaning, exterior washing and waxing and drainage/filling of fresh water tanks. The term does not include drainage/flushing of wastewater, sewage or other tanks. Lube or oil changes, mechanical servicing and mechanical repairs are prohibited. Operation of generators and similar equipment is prohibited. 5. Guests of members may park their recreational vehicles in a member’s driveway for not more than two consecutive nights while visiting the member; however, no such recreational vehicle shall be used for sleeping or habitation. <ul style="list-style-type: none"> • The Board maintains the authority to remove Motor Vehicles not in compliance with these rules and regulations by towing at the expense of the owner of the Motor Vehicle.
25.	Pets	<ul style="list-style-type: none"> • No animals, fowl or reptiles, other than a reasonable number of generally recognized house or yard pets, shall be maintained on any property and then only if they are kept, bred or raised thereon solely as domestic pets and not for commercial purposes. • No animal of any kind that has venomous or poisonous defense or capture mechanisms will be allowed. • Dogs shall be kept on secured leashes at all times they are not on their owner’s lot. • No animal shall be allowed to make an unreasonable amount of noise or to become a nuisance. • All pets must be in compliance with local ordinances

FOREST TRAILS HOMEOWNERS' ASSOCIATION
 RULES AND REGULATIONS
 COMPLIANCE AND ASSESSMENT COLLECTION POLICIES
 Updated March 2019/Effective May 17, 2019

#	TOPIC	RULE/REGULATION
25.— cont.	Pets--continued	<p>regarding inoculations, licensing, and leashing.</p> <ul style="list-style-type: none"> • Animals that have demonstrated vicious or aggressive behavior must be removed from Forest Trails within ten (10) days of the demand for such removal by the Board. • Pet owners will compensate any person hurt or bitten by their pet whether in their immediate care or in the care of a designee, and will hold the Association harmless from any claim resulting from any action of their pet whatsoever. • The owner of the pet is required to clean up after the pet. This includes soiling in the pet owner's yard or in any other yards or in the street or any other common areas. Any damage to the common areas of the Association by a pet must be repaired at the pet owner's expense. In the event the pet owner fails to do the repairs, the Board shall have the right to hire a contractor to repair the damage, and the bill for it will be assessed to the pet owner.
26.	Rental of Homes	<ul style="list-style-type: none"> • In the event the owner of a lot desires to have his home occupied by any persons other than the owner and/or the owner's immediate family, whether by lease, rental or otherwise, the owner before leasing, renting or permitting such occupancy, shall notify the proposed lessee, tenant or occupant that use of the premises is subject to these rules and regulations and to the provisions of the Declaration (CC&Rs), and shall secure from the lessee, tenant or occupant a written and signed agreement to abide by all of the covenants and restrictions by the occupant, their family, and their guests. • Such written agreement shall also contain provisions by which the tenant, lessee or other occupant, as the case may be, expressly conditions his right to occupy the premises upon the observation by himself, his family and guests of all of the provisions of the Declaration/CC&Rs and of these rules and regulations. This acknowledgement by both the occupant and the owner agree, for the benefit of the Association, that any such failure to abide by the Declaration/CC&Rs or these rules and regulations, shall entitle the Association to initiate appropriate legal action in the name of the Association and/or in the name of the owner to enforce the CC&Rs and these rules and regulations. • It is the owner's responsibility to ensure that the renter

FOREST TRAILS HOMEOWNERS' ASSOCIATION
 RULES AND REGULATIONS
 COMPLIANCE AND ASSESSMENT COLLECTION POLICIES
 Updated March 2019/Effective May 17, 2019

#	TOPIC	RULE/REGULATION
26.— cont.	Rental of Homes-- continued	<p>and occupants comply with the provisions of such documents.</p> <ul style="list-style-type: none"> • The home and its lot must be leased together, in their entirety, and cannot be subleased. • Owners must inform the Association, with written notice, whenever they lease/rent their home. Information is to be supplied to the Board no later than the commencement of the lease. This must include: <ol style="list-style-type: none"> 1. Tenant contact information to include the name and phone number of the renter and all occupants of the home. 2. The term of the rental agreement. 3. Property Manager contact information, if applicable. 4. Any other information that relates to the operation of the Association deemed necessary by the Board. • The owner must supply tenant contact information each time a lot is leased/rented to a new renter/occupant.
27.	Signs: Commercial	No commercial signs are permitted.
28.	Signs: Contractor	<ul style="list-style-type: none"> • During the course of construction, one commercially produced sign no larger than 18" x 24" may be displayed indicating the general contractor associated with the project. Contractor signs are permitted to be displayed at new home construction sites only. The sign shall only state the name and telephone numbers of the general contractor and the location of the sign must be approved by the Forest Trails ACC prior to installation. Signs must be securely installed and maintained in good condition at all times. • Subcontractor or other service provider signs are prohibited on any lot within Forest Trails. • No financial institutions or sub-contractors are allowed to display signs.
29.	Signs: For Sale or For Lease	<p>For Sale or For Lease signs shall conform to Arizona Revised Statutes Section 33-1808 relating to planned communities which states, in part, as follows:</p> <ol style="list-style-type: none"> 1. The size of a sign offering a property for sale, for rent or for lease shall be in conformance with the industry standard size sign, which shall not exceed eighteen

FOREST TRAILS HOMEOWNERS' ASSOCIATION
 RULES AND REGULATIONS
 COMPLIANCE AND ASSESSMENT COLLECTION POLICIES
 Updated March 2019/Effective May 17, 2019

#	TOPIC	RULE/REGULATION
29.— cont.	Signs: For Sale or For Lease—cont.	<p>by twenty-four inches, and the industry standard size sign rider, which shall not exceed six by twenty-four inches.</p> <p>2. All such signs must be commercially produced. Information boxes and similar devices must also conform to current industry standards.</p> <p>3. Sign Placement</p> <p style="padding-left: 40px;">a. Only one sign may be placed on any lot. No for sale signs may be placed on the Association common area.</p> <ul style="list-style-type: none"> • All signs must be removed from the lot within two weeks after the close of escrow or leasing of the property.
30.	Signs: Legal Proceedings	All signs which are required to be posted in connection with legal proceedings or directly related to legal liability issues are permitted.
31.	Signs: Security	<ul style="list-style-type: none"> • Security signs shall be permitted while the property owner or lessor subscribes to the service. They shall be removed upon termination of service. • The maximum size of a security sign shall be 9 inches by 12 inches. • Only one such sign shall be visible from the street. Such sign shall not be located less than fifteen feet from the street pavement unless such limitation is impractical due to the location of the home on the lot.
32.	Signs: Political	<ul style="list-style-type: none"> • Political signs may be displayed not more than seventy-one (71) days before the day of an election and must be removed within three (3) days after an election day. • The number and size of the political signs shall conform to the City of Prescott sign ordinance. The maximum aggregate size total dimensions of all political signs on a member's property shall not exceed nine (9) square feet.
33.	Signs: Temporary	<ul style="list-style-type: none"> • Open House and Garage Sale Signs shall be permitted. • Directional signs for Open Houses and Garage Sales shall be limited to one sign per corner in any one direction. • No more than 4 signs are permitted. • Open House and Garage Sale signs shall be removed each day.

FOREST TRAILS HOMEOWNERS' ASSOCIATION
 RULES AND REGULATIONS
 COMPLIANCE AND ASSESSMENT COLLECTION POLICIES
 Updated March 2019/Effective May 17, 2019

#	TOPIC	RULE/REGULATION
34.	Signs: Maintenance	All signs shall be maintained in a neat appearance or they shall be removed.
35.	Signs: Compliance	<ul style="list-style-type: none"> • Signs displayed in violation of these regulations shall be subject to removal at the direction of the Association. • The Association shall have no responsibility for their safekeeping. • The Association shall have the right to enter upon the offending owner's property to take such steps as may be necessary to remove or otherwise terminate or abate any violation.
36.	Single Family Residency	<ul style="list-style-type: none"> • No structure located on a lot within Forest Trails shall be used for any purpose other than as a single-family residence. Certain home businesses and in-home business sales can be conducted by owners on their lots without violation to the principal purpose of residential use and enjoyment of the property, provided a home business or in-home business sale is unobtrusively conducted without odor, noise, traffic or parking congestion. • Upon the written request of an owner or any neighbor of the individual operating a business, the Board shall conclusively determine, in its sole and absolute discretion, whether any such home business or in-home business sale violates the terms of this rule and regulation or of the Declaration.
37.	Solar Energy and Air Conditioning	All plans for the external placement of solar energy and air conditioning equipment shall require the approval in writing of the Association's Architectural Committee. Refer to the Architectural Guidelines.
38.	Speeding	<ul style="list-style-type: none"> • The speed limit on Sierry Peaks Drive is 25 miles per hour. • The speed limit on all other streets and private driveways is 15 miles per hour.
39.	Temporary Occupancy	<ul style="list-style-type: none"> • No trailer, tent, shack, garage or barn, and no temporary buildings or structures of any kind shall be used at any time as a residence on any lot. • Temporary buildings used during the construction of a dwelling on any lot shall be removed immediately after the completion of construction.

FOREST TRAILS HOMEOWNERS' ASSOCIATION
 RULES AND REGULATIONS
 COMPLIANCE AND ASSESSMENT COLLECTION POLICIES
 Updated March 2019/Effective May 17, 2019

#	TOPIC	RULE/REGULATION
40.	Tennis/Pickleball Court and other Recreational Areas	<p>The following are general rules applicable to the use of all of the Association's recreational facilities as well as specific rules applicable to the use of the tennis court.</p> <ul style="list-style-type: none"> • Limited to Occupants and Guests. Recreational facilities including without limitation the tennis court and basketball court, open space, and woodland within the common elements are limited to the use of Forest Trails homeowners, their family members, their tenants, and invited guests. All facilities are used at the risk and responsibility of the user, and the user shall hold the Association harmless from damage or claims by virtue of such use. Except by prior arrangement with the Board, a member may be accompanied by no more than three guests at one time and must always be present when the facility is being used. • Boisterous Behavior Prohibited. Boisterous, rough, or dangerous activities or behavior, or behavior that interferes with the permitted use of facilities by others, is prohibited. • Reserved Areas. Specific portions of woodland, open-space facilities, or recreational facilities may be reserved or scheduled for various purposes. Reservations and schedules will be developed by the Board and will be published in the Association newsletter. • Members, Family, Tenants, and Guests. When using the Association's recreational facilities, woodlands and open spaces, members will direct and control the activities of themselves, their family members, and guests in order to conform to the rules and regulations. Members will be responsible for violations or damage caused by themselves, their family members, or guests whether or not they are present. • Ejection for Violation. Members, family members, guests, and tenants may be summarily ejected from a recreational facility by the Board and/or its managing agent in the event of violation of these rules and regulations and be suspended from using the facility until notice and hearing concerning the violation can be carried out. Offenders may be suspended for additional periods following the hearing. • Proper Use. Recreational facilities will be used only for their designated purposes Picnic areas, the tennis court, the basketball court and surrounding areas will be properly used, and may not be abused, overcrowded, vandalized, or operated in such a way as to prevent or

FOREST TRAILS HOMEOWNERS' ASSOCIATION
 RULES AND REGULATIONS
 COMPLIANCE AND ASSESSMENT COLLECTION POLICIES
 Updated March 2019/Effective May 17, 2019

#	TOPIC	RULE/REGULATION
40.— cont.	Tennis/Pickleball Court and other Recreational Areas— cont.	<p>interfere with permitted play or use by others. Rules of safety promulgated by nationally recognized organizations regulating play of a game or sport for which a facility is designed will be followed, and where appropriate, customary safety equipment will be worn and used.</p> <ul style="list-style-type: none"> • Keys/Key Codes and Fees. The Board may install locking devices on the tennis court limiting entrance thereto and adopt key/key code policies and fees for the usage of such key/key codes as well as fees for the usage of the tennis court. • Hours. The tennis court shall be used only from 8 a.m. to dusk. The Board or its managing agent may close the tennis court at its discretion for any reason including maintenance. • Rules. All tennis court users will obey the rules regarding the maintenance of order, and enhancement of safety established from time to time by the Board. In the event of overcrowding, limitations on times of play and sign-up procedures may be adopted by resolution of the Board and posted at the court. Players will use the courts in accordance with the policy resolutions posted. • Surface Protection. Players must wear smooth sole tennis shoes on the courts and are prohibited from mistreating the playing surface by placing, throwing, or striking hard objects on the court. • Manners. Conduct will be such as to minimize interference with play. Only tennis play is permitted on the tennis court. Proper tennis attire and shirts are required. • Court Use. Pets, food and alcoholic beverages, breakable containers, trash or debris, and smoking are not permitted in the court. • First Come Basis. Subject to reservation policies adopted by the Board, the tennis courts are available on a first come basis. Play is limited to 60 minutes when others are waiting.
41.	Trees and Shrubs	<ul style="list-style-type: none"> • All lots shall be kept free of dead or infested trees. No owner shall permit any thing or condition to exist upon any lot that shall induce, breed or harbor infectious plant diseases or noxious insects. Native grasses and weeds shall not exceed twelve inches (12") in height. • The Association may at the owner's expense enter upon

FOREST TRAILS HOMEOWNERS' ASSOCIATION
 RULES AND REGULATIONS
 COMPLIANCE AND ASSESSMENT COLLECTION POLICIES
 Updated March 2019/Effective May 17, 2019

#	TOPIC	RULE/REGULATION
41.-- cont.	Trees and Shrubs— cont.	any lot and remove any dead tree or tree infested with destructive insects or diseases, if within thirty (30) days after receiving notification from the Association, such removal is not accomplished by the owner.
42.	Variances	The Board, in its sole discretion, may approve variances to these Rules and Regulations. Procedures for requesting a variance are available by contacting the management company.
43.	Window Glass and Glass Treatments	<ul style="list-style-type: none"> • Reflective glass, reflective foil or aluminum foil is not allowed on windows. • The installation of non-reflective metallic film (designed to reduce sun and heat) on the inside of windows shall be subject to the approval in writing of the Association's Architectural Committee and shall not have an obtrusive appearance or reflective glare visible on any neighboring lot or parcel.

FOREST TRAILS HOMEOWNERS' ASSOCIATION
RULES AND REGULATIONS
COMPLIANCE AND ASSESSMENT COLLECTION POLICIES
Updated March 2019/Effective May 17, 2019

FOREST TRAILS HOMEOWNERS ASSOCIATION, INC.
Enforcement Procedures
Adopted: March 26, 2019
Effective: April 1, 2019

The Enforcement Procedures for violations of the Forest Trails Declaration, the Bylaws, the Rules and Regulations and the other governing documents of the Forest Trails Homeowners Association, Inc. shall be imposed according to the procedures set forth as follows:

COMPLAINT/VIOLATION PROCESS:

Any member, Board member or agent of the Association may file a Complaint against another member for violation of any provision of the Association governing documents by such other member, his family, tenants or guests. A Complaint must be in writing, must be signed (unless submitted via e-mail) and dated and must include a description of the alleged violation and the identity of the alleged violator, if known. A Complaint from a member is considered filed when the written Complaint is received (i) by a member of the Board or a Board member or (ii) by the Association's management company. A copy or record of all Complaints shall be provided to the Board.

Any Complaint received by the Association shall be forwarded to the Association's management company or if none, the Board. In all cases where a management company other than the Board receives the Complaint, the recipient thereof shall forward a copy of management company the Complaint to the Board. Upon its receipt of a Complaint, the management company shall take the following action (i) immediately if it determines that the complained of situation constitutes an emergency requiring immediate action, or (ii) within ten (10) business days of its receipt of a Complaint if it determines that the complained of situation does not constitute an emergency requiring immediate action:

1. Conduct an investigation of the Complaint to confirm that there is reason to believe that the conditions complained about actually exist, and
2. If the management company determines that there is reason to believe that the conditions complained about actually exist it shall attempt to contact the unit owner and try to resolve the Complaint informally.

If the violation is informally resolved, the management company shall document in writing for the related unit file what the alleged violation was and how the issue was resolved. If the management company is unable to resolve the violation informally, the following enforcement process shall be begun.

FOREST TRAILS HOMEOWNERS' ASSOCIATION
RULES AND REGULATIONS
COMPLIANCE AND ASSESSMENT COLLECTION POLICIES
Updated March 2019/Effective May 17, 2019

COURTESY NOTICE:

In the event the management company or its agent determines that a violation of the Association's governing documents exists and such violation is not informally resolved, a written Courtesy Notice may be sent by first class mail to the Owner at the mailing address as it appears on the records of the Association at the time of notice. No fine will be imposed with this notice. Consistent with Arizona law as may be amended, the Courtesy Notice shall include at a minimum the following information:

- The provision of the governing documents that has allegedly been violated;
- The date of the violation or the date the violation was observed;
- The first and last name of the person or persons who observed the violation;
- The date by which the violation must be corrected (21 calendar days);
- A description of the process the Owner must follow to contest the courtesy notice; and
- Notice of the Owner's right to petition for an administrative hearing with the Arizona Department of Real Estate pursuant to A.R.S. § 32-2199.01.

VIOLATION NOTICE:

If the violation is not corrected within the period set forth in the Courtesy Notice, a Violation Notice may be sent to the Owner via first class mail. The Violation Notice shall include at a minimum the following information:

- The provision of the governing documents that has been violated;
- The date of the violation or the date the violation was observed;
- The date of any Courtesy Notice;
- The date by which the violation must be corrected (10 calendar days);
- A description of the process the Owner must follow to contest the violation notice; and
- The right of the Owner to petition for an administrative hearing on the violation in the Arizona Department of Real Estate pursuant to Arizona Revised Statutes § 32-2199.01;
- Notice that a fine in an amount to be determined in accordance with the Fine Schedule may be imposed for failure to correct the violation by the required deadline.

FINE NOTICE:

Depending on the violation, the Board in its sole discretion may determine that a Courtesy Notice and/or a Violation Notice will not be sent to the Owner and may commence the enforcement process with the mailing of a Fine Notice. If the violation has not been corrected by the date set forth in any Violation Notice, or the Board decides not to send either or both of such notices, the Board may impose a fine pursuant to the then effective

FOREST TRAILS HOMEOWNERS' ASSOCIATION
RULES AND REGULATIONS
COMPLIANCE AND ASSESSMENT COLLECTION POLICIES
Updated March 2019/Effective May 17, 2019

Fine Schedule and send the Owner a Fine Notice which shall include the following information:

- The provision of the governing documents that has been violated;
- The date of the violation or the date the violation was observed;
- The first and last name of the person or persons who observed the violation;
- The dates the Courtesy Notice and the Violation Notice, if any, were sent to the Owner;
- A statement notifying the Owner of the Owner's "RIGHT OF APPEAL" the Board's decision that a violation has occurred and the manner in which such appeal must be requested or it will be deemed waived;
- A statement that in the event the violation is not cured by the date ten (10) calendar days after the date of the Fine Notice (or by such other date as the Board determines appropriate), the Board of Directors will impose a specified fine effective as of such date and additional fines as set forth in the Fine Schedule if the violation is not cured as set forth in the Fine Notice;
- A copy of the Fine Schedule;
- If applicable, any requirements or special instructions for compliance;
- A statement informing the owner of the Association's right to seek legal and/or equitable action to collect the fine and/or to remedy the noticed violation of the Association governing documents; and
- The right of the unit owner to petition for an administrative hearing on the violation in the Arizona Department of Real Estate pursuant to Arizona Revised Statutes § 32-2199.01.

The Fine Notice will be mailed certified mail, return receipt requested, and first class mail.

APPEAL PROCESS:

Any Owner who has received a Fine Notice shall have the opportunity to appear before the Board to appeal the Board's decision that a violation exists. Such appeal right shall be deemed waived if not timely exercised by the Owner. The appeal process shall be as follows:

- Within ten (10) calendar days following the date of the Fine Notice, the Owner may appeal the violation decision in writing to the Board and request a hearing on the matter. If the written hearing request is not received within such ten (10) day period, the Owner's right of appeal shall terminate as of the end of the tenth day.
- The Owner shall have the right to appear at the hearing in person or by a representative and to present pertinent information supporting the existence of extenuating circumstances which require deviation from enforcement of the provisions of the governing documents.
- A unit owner who timely exercises his or her appeal right shall be provided a written notice of the time, date and place of scheduled appeal hearing which shall be

FOREST TRAILS HOMEOWNERS' ASSOCIATION
RULES AND REGULATIONS
COMPLIANCE AND ASSESSMENT COLLECTION POLICIES
Updated March 2019/Effective May 17, 2019

conducted in an Executive Session meeting of the Board. In the event the unit owner fails to appear in person or by representative at such scheduled hearing, his or her appeal right shall be deemed waived.

- After completion of the appeal hearing, the Board will excuse the Owner and, subject to the provisions of Arizona Revised Statutes § 33-1804(A)(5), will make its decision in Executive Session. The Owner will be informed in writing of such decision within ten (10) calendar days from the date of the appeal hearing.
- In the event the appeal is denied, unless otherwise stated in the Board's written decision, the Owner must bring the violation into compliance within ten (10) days of the date of the Board's notice to the Owner of the Board's denial of the appeal. If the violation is not corrected within ten (10) days after the date of the Board's notice to the Owner of the Board's denial of the appeal, the fines set forth in the Fine Notice shall be imposed as set forth therein until the violation is corrected.
- All decisions of the Board as to an appeal hearing are final and may not be appealed.

FINES:

- A fine may be assessed in accordance with the then effective Fine Schedule for an uncorrected violation of the governing documents of the Association.
- In the event of a subsequent violation by an Owner of the same provision of the governing documents within twelve (12) months of a previous violation of such provision, all fines for each such subsequent violation shall be doubled and fines shall commence upon notice of violation.
- The Board of Directors will determine the period for corrective action of a violation on a case-by-case basis.
- Fines are cumulative and will continue in accordance with the Fine Schedule without further written notice until the violation is corrected. The violation will be deemed corrected as of the date the Owner notifies the Board of the correction thereof unless the Board subsequently determines that the violation has not been corrected or that such date is not correct.
- At any time, the Board may exercise the option to pursue corrective action through legal means. All costs of legal action will be billed to the Owner and collected in the same manner as the assessments.

FINE SCHEDULE:

Initial Fine: \$100.00
Additional Fine: \$100.00 (If violation is not corrected within 10 calendar days)
Additional Fine: \$100.00 (Assessed every 10 calendar days until violation is corrected)

- In lieu of such stepped fine schedule, the Board may in its sole discretion impose a daily fine in the amount of \$25.00 for each day a violation continues where the

FOREST TRAILS HOMEOWNERS' ASSOCIATION
RULES AND REGULATIONS
COMPLIANCE AND ASSESSMENT COLLECTION POLICIES
Updated March 2019/Effective May 17, 2019

Board determines that due to the nature of the violation such a daily fine is more appropriate.

- Notwithstanding the above provisions of this Fine Schedule, the Board at its sole discretion, may at any time, assess a fine in an amount up to \$2,000 for any incident the Board deems to be egregious, dangerous, that may threaten the life, health, safety, or welfare of any person, resident or Owner, or that causes detriment or damage to any Association or other Owner's property. The Board may levy this fine despite any past violation history or lack thereof.
- The Board of Directors shall consider the fines set forth in this Fine Policy and schedule to constitute damages sustained by the Association which are intended to compensate the Association for the administrative burden of addressing the violation and the adverse impact of the violation on the community.
- The Board of Directors reserves the right to deviate from the fine amounts set forth herein if, after a hearing on the matter, the Board finds good cause to modify the amount of the fine levied in a particular case. The Board also reserves the right to pursue any and all other remedies set forth in the CC&Rs at the same time or in lieu of levying the fines set forth in this Fine Policy.
- The Association further retains the right to recover from the Owner the legal costs and fees incurred by the Association in enforcing the Association governing documents.

GENERAL:

These Enforcement Procedures are intended as a guideline for the Association. Excepting only the amounts set forth in the Fine Schedule as to any particular violation by an Owner, 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 these Enforcement Procedures. The assessment of fines by the Association does not relieve the Owner from the obligation to correct the violations or comply with Association governing documents. These Enforcement Procedures 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 Association governing documents through any other remedies available to the Association, including court action, concurrently with the Enforcement Procedures set forth herein.

**Forest Trails Homeowners Association
Assessment Collection Policy
Updated June, 2017**

Pursuant to the Arizona Nonprofit Corporation Act, A.R.S. 33-1803 and 33-1807 of the Planned Communities Act, and the provisions of the Amended and Restated Declaration of Covenants Conditions and Restrictions for Forest Trails Homeowners Association Unit One, ("Senior Declaration"), the following resolution is hereby adopted by the undersigned, all being directors of Forest Trails Homeowners Association ("Association").

NOW THEREFORE, IT IS RESOLVED that the following procedures and practices are established for the collection of Assessments owing and to become owing by the Owners of Lots in the Association and the same are to be known as the "Assessment Collection Policy" for the Association in the discharge of its responsibilities regarding collection of Assessments levied against Lots:

1. **POLICY OBJECTIVE.** The Association will pursue collection of all Assessments pursuant to the Declaration and this Assessment Collection Policy. The term "Assessment" shall include Regular Assessments and Special Assessments or any other fees or taxes allowable in the Declaration of Covenants Conditions and Restrictions.
2. **OWNERSHIP INTERESTS.** Pursuant to the Declaration, the person who is the Owner of a Unit Lots 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.
3. **HANDLING CHARGES AND RETURNED CHECK 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.
4. **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.

**Forest Trails Homeowners Association
Assessment Collection Policy
Updated June, 2017**

5. 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 to be delinquent upon making partial payments.

6. 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 Unit Lot for which Assessments are due and will be sent to the most recent 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 Unit 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.

7. NOTIFICATION TO OWNER.

30 DAYS DELINQUENT LATE NOTICE. A payment by a member is deemed delinquent if it is unpaid Thirty (30) or more days after the due date. A late notice will be sent via regular first-class mail, a late fee of 10% of the unpaid assessment amount will be charged to the Owner's account, and a Collection Notice Fee will be charged to the Owner's account. Interest may be charged at the rate of 12% per annum subject to Board approval.

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.

75 DAYS DELINQUENT RECORDATION OF LIEN. Seventy-five (75) 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. A lien fee will be charged to the Owner's account.

8. 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.

**Forest Trails Homeowners Association
Assessment Collection Policy
Updated June, 2017**

9. 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.

10. 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.

IT IS FURTHER RESOLVED THAT this Assessment Collection Policy replaces and supersedes in all respects all prior resolutions with respect to the collection of Assessments by the Association and is effective upon adoption hereof, to remain in force and effect until revoked, modified, or amended.

This is to certify that the foregoing resolution was adopted by the Board of Directors of Forest Trails Homeowners Association on the 21st day of June, 2017, to be effective as of July 21, 2017, and has not been modified, rescinded, or revoked.