CONTINENTAL COUNTRY CLUB, INC.

VIOLATION ENFORCEMENT POLICY

The single-family subdivisions within Continental Country Club are governed by the Amended and Unified Declaration of Restrictions for Continental County Club, recorded on August 25, 2006 at recording number 3399677, Official Records of Coconino County, Arizona Recorder (the "Declaration").

Per Paragraph 14 of the Declaration, Continental County Club, Inc. ("CCC" or the "Association") is charged with enforcing the provisions of the Declaration and rules and regulations adopted by the Association ("Rules").

CCC's Board of Directors (the "Board") hereby adopts this Violation Enforcement Policy and Fine Schedule ("Policy") to set forth procedures for enforcement of the Declaration and Rules and Regulations.

The Board intends to follow the procedures set forth herein, but reserves the right, in its sole and absolute discretion, to vary from the procedures set forth herein due to the unique circumstances of individual situations so as to help ensure that only reasonable fines and enforcement measures are used.

The fines set forth in the attached Fine Schedule shall be considered to constitute damages sustained by CCC, and are intended to compensate CCC for the administration burden of addressing the violation and the adverse impact of the violation on the community.

ESTABLISHMENT OF VIOLATION AND VIOLATION NOTICES

1. Courtesy Notice: Except where the policy does not require a courtesy notice, or where the Board or management deems that a courtesy notice should not be provided, a written Courtesy Notice will generally be sent to the Owner after verification of the existence of a violation, providing the specific information regarding the violation and requesting that corrective action be taken within a specific timeframe or that the violation not re-occur.

2. Violation Notices: If the Owner fails to remedy the violation within the timeframe set forth in the Courtesy Notice, or if the violation is initially cured but a new violation occurs within a period of six months from a previous violation of the same type (a 'Recurring Violation"), or if no Courtesy Notice will be sent as provided in Section 1, then a written Violation Notice shall be sent to the Owner. The first Violation Notice shall include:

    - The nature and date the violation was observed.
    - A date for correction of the violation, providing a reasonable cure period, as applicable.
    - If applicable, the Board's intent to levy a fine against the Owner.
    - A statement advising the Owner of the opportunity to be heard with respect to the violation and the timeframe (at least ten (10) business days after the Violation Notice was sent) to contact the Association, in writing, to exercise the opportunity to request the hearing.

- A statement advising the Owner of the manner in which the Owner may contest the violation.
- A statement advising the Owner that the Owner has the right to petition for an administrative hearing on the outstanding violation to the Department of Real Estate.

3. Subsequent Violation Notices: If the violation recurs again within six months of the previous violation, subsequent violation notices may be sent to the Owner, containing the information required under Paragraph 2.

FINES

1. Hearing and Waiver of Right to be Heard: If requested within the timeframe prescribed in the notice to the Owner, a hearing will be granted and a reasonable effort will be made to schedule the hearing at a time convenient to both the Board and the Owner. Any of the following shall constitute a waiver of the Owner's right to the hearing:
    - The Owner does not contact the Association to request a hearing in the timeframe prescribed in the Violation Notice to the Owner;
    - The Owner does not respond to the Association's reasonable attempts to schedule a hearing;
    - After a hearing is scheduled, the Owner does not attend the hearing or provide at least forty-eight (48) hours' notice of their inability to attend the hearing.

    A fine may be imposed after the hearing or after the Owner waives the right to be heard. If an Owner waives the right to be heard, the Board will make a decision regarding a fine based on the information it has. Any fine imposed may be applied retroactively to the initial date of the violation.

2. Notice and Amount of Fines: The Owner will be given written notice of the amount of any fines imposed and the due date for payment of such fines. The Board intends to impose fines generally in accordance with the attached Fine Schedule for violations listed on this schedule; however, the Board reserves the right to vary from this schedule based on the nature and severity of the offense and the number and history of violations by the Owner. The amount of the fines imposed by the Board shall range from $10.00 to a maximum of $1,000.00 per calendar day.

3. Fines for Continuing Violations: Once it has been determined by the Board that the violation is a continuing violation, the Board may impose reasonable continuing fines (such as daily, weekly or monthly fines) while the violation continues, and such continuing fines shall accrue until the Owner notifies the Association that the violation has ceased and the Board confirms that it has ceased.

REFERRAL TO LEGAL COUNSEL

Where it is determined to be in the best interest of the Association, the Board may, at any time during the enforcement process, refer the violation to legal counsel for action seeking injunctive relief against the Owner to correct or otherwise abate the violation, or to pursue any other legal or equitable remedy that may be available to the Association.

CONTINENTAL COUNTRY CLUB, INC.
FINE SCHEDULE

ANIMAL OR ANIMAL-RELATED STRUCTURE VIOLATION – NO INJURIES
Courtesy Notice – no fine
Violation Notice - $75 fine per day until cured
Recurring Violations - $150 fine per day until cured

ANIMAL VIOLATION CAUSING INJURIES TO PERSON(S) OR OTHER ANIMAL(S)
First Notice – minimum $250 fine
First Recurring Violation - minimum $500 fine Second
Recurring Violation – minimum $750 fine
Third and Subsequent Recurring Violations - minimum $1,000 fine

ANTI-HARASSMENT POLICY VIOLATION
No Courtesy Notice required
First Notice - $100 fine
First Recurring Violation - $150 fine
Second and Subsequent Recurring Violation - $200 fine

COMMENCING ADDITION OR MODIFICATION TO EXISTING STRUCTURE, OR NEW STRUCTURE WITHOUT ARCHITECTURAL APPROVAL
No Courtesy Notice required
Violation Notice - up to $50 fine per day until cured or owner receives project approval from ACC
Recurring Violations - up to $100 fine per day until cured or owner receives project approval from ACC

FAILING TO PROPERLY MAINTAIN STRUCTURES ON LOT (INCLUDES PAINTING)
Courtesy Notice – no fine
Violation Notice - $75 fine per week until cured
Recurring Violations - $100 fine per week until cured

FAILURE TO SUBMIT RENTAL REGISTRATION FORM – LONG and SHORT TERM
Required Processing Fee: $25 fee for each rental occurrence or change of tenancy
Late Fee: $15 late fee if form and processing fee are not received within 15 days after lease start date

FIRE PROTECTION VIOLATION
No Courtesy Notice required
Violation Notice - minimum $250 fine per day until cured
Recurring Violations - $500 fine per day until cured

LANDSCAPING VIOLATIONS (INCLUDING WEEDS)
Courtesy Notice – no fine
Violation Notice - $75 fine per week until cured
Recurring Violations - $100 fine per week until cured

NUISANCE OR NOISE VIOLATION
Courtesy Notice - no fine
Violation Notice - minimum $250 fine
First Recurring Violation - $500 fine
Second Recurring Violation - $750 fine
Third and Subsequent Recurring Violations: $1000 fine

PARKING AND VEHICLE VIOLATIONS
Courtesy Notice – no fine
Violation Notice - $75 fine per day
Recurring Violations - $100 fine per day

RENTAL VIOLATION – IMPROPER USE OF SINGLE FAMILY LOT(S)
No Courtesy Notice required
Violation Notice – amount being advertised or charged as rent, or minimum of $200 fine per day
Recurring Notice – amount being advertised or charged as rent, or minimum of $200 fine per day

SIGNAGE VIOLATION
Courtesy Notice – no fine
Violation Notice - $25 fine per week until cured
Continuing Violations - $50 fine per week until cured

TRADE OR BUSINESS VIOLATION
No Courtesy Notice required
Violation Notice - minimum $100 fine per day until cured
Recurring Violations - $250 fine per day until cured

TRASH/RECYCLE RECEPTACLES
Courtesy Notice – no fine
Violation Notice - $25 fine per day left out
Recurring Violations - $35 fine per day left out

UNAPPROVED/PROHIBITED ITEMS PLACED CURBSIDE
Courtesy Notice – no fine
Violation Notice - minimum $75 fine per day until cured
Recurring Violations - $100 fine per day until cured

UNAPPROVED/PROHIBITED ITEMS PLACED/STORED ON LOT
No Courtesy Notice required
Violation Notice - minimum $75 fine per week until cured
Recurring Violations - $100 fine per week until cured

VIOLATION OF RULES GOVERNING USE OF THE COMMON AREAS
Courtesy Notice – no fine
First violation - $25 fine
First Recurring Violation - $50 fine
Second and Subsequent Recurring Violation - $75 fine

VIOLATION OF RULES GOVERNING THE USE OF THE COMMON AREA - CAUSING DAMAGE
No Courtesy Notice required
Violation Notice – minimum $100 fine plus cost of repairing or restoring damage