

DISCOVERY AT VILLA DE PAZ HOMEOWNERS' ASSOCIATION
Rules & Regulations
Revised: May 5, 2003

Discovery at Villa De Paz is a community of 212 single-family homes located at 4601 North 102nd Avenue in Phoenix, Arizona. It is important to each homeowner that the community maintains a high aesthetic and strong financial value.

The purpose of the Rules and Regulations is to summarize the Declaration of Covenants, Conditions and Restrictions (CC&Rs) which has been accepted by each owner as a precondition to ownership and a fundamental part of living at Discovery at Villa de Paz.

The maintenance of all facilities and common areas is paid for by a monthly homeowner's association fee. Therefore, it is to the advantage of all to enjoy the facilities and see that they are cared for in a proper manner.

If each member will respect the feelings and rights of other members, we will achieve our goal of a harmonious and increasingly prosperous community.

BOARD OF DIRECTORS

The Board of Directors is made up of five members duly elected at the Annual Meeting of Homeowners. Vacancies during the year may be filled by appointment of the Board and ratified at the next homeowners' meeting. Any owner in good standing is eligible to become a board member. The purpose of the Board of Directors is to set policy for the Association and to act in the best interest of the total membership. The Board is duly bound by the common understanding of fiduciary responsibility.

VOTING RIGHTS

Each unit owner in good standing has an individual interest in the Discovery at Villa de Paz community and has one vote per unit in matters concerning the Association. In the event an assessment remains unpaid following ten days written notice, the Association may suspend the owner's voting rights as well as the right to use the recreational facilities.

MANAGEMENT COMPANY

Cuellar Realty Services, Inc., AMO®, is the Management Company for Discovery at Villa De Paz. In that capacity, they have the responsibility to carry out the directives of the Board of Directors on a day-to-day basis. They have also been retained to manage the operational and financial activities of the Association with a direct reporting responsibility to the Board of Directors. You may contact Cuellar Realty Services, Inc., at 3620 N. Third Street, Phoenix, AZ 85012, (602) 277-7070. Their fax number is (602) 277-2525.

INSURANCE

The Association maintains insurance coverage for all common areas including the landscaped common area, and the main structures such as the pool and the buildings. Building coverage is a "bare walls" coverage that does not include any interior unit items. In addition, there is general liability coverage for Discovery at Villa de Paz common areas and Board of Directors. It is strongly recommended that each homeowner carry a separate policy for personal contents, interior unit's items and personal liability.

In accordance with the CC&Rs, each owner is responsible for the following maintenance. The Association policy will not cover these owner maintenance items:

- (a) To maintain, repair and replace at his expense all portions of the Apartment including, but not limited to, property damaged or destroyed by casualty loss except the portions to be maintained, repaired and replaced by the Association. Such work shall be done without disturbing the rights of the other owners.
- (b) The portions of an Apartment to be maintained, repaired and replaced by the Owner thereof at his expense shall include, but not be limited to, the following items: air conditioning and heating equipment unless forming a part of the Common Elements, service equipment such as dishwasher, laundry, refrigeration, oven/stove, water heater and fireplaces, regardless of whether such items are built-in fixtures; interior fixtures, such as electric and plumbing fixtures; floor coverings except the slab; and all interior surfaces including, but not limited to, inside paint and other inside wall finishes. Owners shall also maintain all windows, doors, and all hardware appurtenant thereto, within or benefiting their respective Apartments. The appearance, type and method of installation of air conditioning and heating units must first be approved by the Board.

ASSOCIATION FEES

The association fee for the calendar year 2002 is \$112.60 per unit per month. The assessment is due and payable the first day of each month. Assessments not paid to the Management Company by the tenth day of the month are considered delinquent and are subject to a late fee penalty. Please contact the Management Company for further information as required.

GENERAL ASSOCIATION RESPONSIBILITIES

The Association is charged with the following fiduciary responsibilities:

1. Maintenance of all common elements such as recreational facilities, landscaping, buildings, parking areas, stairwells, walks, trash areas, lighting and streets.
2. Financial responsibility for all common area utilities and domestic water for all units.
3. Maintain insurance coverage for all buildings and common elements.

GENERAL HOMEOWNER RESPONSIBILITIES

1. Internal maintenance of the unit and the air space for the patio/balcony, fenced yard and storage locker.
2. Maintenance and upkeep of heating and air conditioning unit. Maintenance and upkeep of all appliances, fireplace and chimney.
3. Maintenance and upkeep of all windows, doors, hardware associated with doors and windows including window screens.
4. Exterior window or shade screens. A homeowner may have regular bug screens instead of shade screens. Screens must all be the same type on each exposure of the unit. For example, it would be permissible for a homeowner to have all shade screens on the back of their unit and all bug screens on the front of their unit. Screens cannot be mixed on the same side of the unit. Screens must all have a silver frame. Shade screens must be black in color.

GENERAL ASSOCIATION RESTRICTIONS

The following restrictions are applicable to all units and the entire membership except where noted:

1. No noxious or offensive activities that interfere with the quiet enjoyment of other owners.
2. No rubbish or debris can accumulate on a lot. Trash must be kept in a covered container and screened from view of adjacent lots.
3. No clotheslines shall be visible anywhere including back yard areas.
4. Only standard window coverings are acceptable. No reflective materials, newspapers, etc. are to be used on the glass of any windows.
5. No unit shall be used as a business location or activity for profit.
6. A unit may not be leased for a period of less than six months. The lessee shall be bound by and subject to the provisions of the CC&Rs and the occupants will also be equally bound by duly resolved and approved Association rules and regulations.
7. For Sale and For Rent signs may be displayed in front of the units so long as the sign is out of the grass area. Signs must be on a regular real estate type metal or wood post. Signs attached to fences, doors, wood trim, or the stucco surfaces on the units will be removed without notice. Garage sale signs and the like are also prohibited.
8. Back patios must be kept in a safe, clean and sanitary condition. No items are allowed to be above the height of the back patio fence, except for umbrellas covering patio tables, which must be in good condition.

ARCHITECTURAL CONTROL

This community was planned by architects with a primary objective seeking to carry out a uniformity of design in the landscaping and exterior building appearance. Therefore, alterations or additions are discouraged. The Declaration of Horizontal Property Regime and Covenants, Conditions, and Restrictions (CC&Rs) for Discovery at Villa de Paz states on page 20, Section 10 2(B):

“No owner shall paint or otherwise decorate or change the appearance of any portion of the exterior of a building without prior written approval of the Board.”

Thus, no additions or alterations are to be made to the exterior of the building, the small private backyards, patios, front porch, front yards, or any common areas. If it is visible, there must be prior written approval from the Board of Directors. This includes the removal or alteration of screens, and the addition of security screen doors.

A non-structural alteration may be made within a unit without Board approval if the alteration is not visible to the surrounding neighbors or from the common areas. If any alteration is visible, there must be prior written Board approval. A structural alteration within a unit required a prior written Board approval.

A request for an architectural change must be submitted in writing in the form of an Architectural Change Request, which can be obtained from the Management Company.

VEHICLES

There is one assigned covered parking space per unit. This space is for the sole use of the occupant(s) of that unit. The cost of repair for pavement deterioration due to oil, gasoline or

other corrosive substance spills is the responsibility of the unit to which the space has been assigned. Please contact the Management Company for information on your assigned space.

All other parking spaces are on a **first come, first serve basis**. All parking spaces are subject to the parking regulations as specified herein.

NO COMMON AREA will be used for routine motor vehicle maintenance such as tune-ups, oil changes, or other repairs involving engine oil, transmission oil, brake fluid, antifreeze, or any type of automobile fluid.

Emergency repairs of a brief nature such as a jump start for a dead battery or a flat tire change are permitted, so that the vehicle might be moved to outside of the community for any additional larger extensive repairs.

An inoperable or abandoned vehicle will be removed from the premises at the owner's expense.

Parking in Fire Lanes:

The City of Phoenix Fire Prevention Department has identified specific driveways as fire lanes. These fire lanes have been posted with signs, and the curbs have been painted red. Cars may not be legally parked in these driveways without being subject to immediate citation, towing and/or both. The Association will enforce the regulation. Owners who wish to report a vehicle in violation of the city ordinance should call the Management Company.

Vehicles Prohibited from Parking:

No motor vehicle classified by the manufacturer rating as exceeding $\frac{3}{4}$ ton or designed for commercial purposes, motor home, trailer, camper, camper shell, detached camper, boat, boat trailer, all-terrain carrier, snow mobile, jet ski, or other similar equipment or vehicle may be parked, maintained, constructed, reconstructed or stored within the condominium property. Violations will be tagged. Vehicles not removed within 24 hours will be towed away at the owner's expense.

Parking in an Unreserved Space for an Excessive period of time:

Vehicles may be parked in an unmarked space for a maximum of ten or less continuous days. Violations will be tagged. Vehicles not removed within 24 hours of tagging will be towed at the owner's expense.

Certain exceptions such as vacation, business and/or emergency can justify waivers that are obtained by prior approval of the Management Company. The owner must call the Management Company and advise them of the make, model and license number of the vehicle, the time required and the unit to which the vehicle belongs before approval will be granted.

Parking of Abandoned and/or Inoperable Vehicles:

The parking of abandoned and/or inoperable vehicles is prohibited. Violation will be tagged. Vehicles not removed within 24 hours of tagging will be towed away at the owner's expense. This regulation applies to any vehicle in any parking space (numbered, open or unmarked). Vehicles qualify under this regulation if they are observed to fulfill (but not limited to) one of the following conditions: flat tire(s), spider webs, dirt and debris collecting under, around and on the

vehicle, expired registration tags, no license plate, missing parts required for normal use, or too damaged to operate safely.

Definition of an abandoned vehicle: A motor vehicle or any major portion thereof which is of a type subject to registration under Title 28 of the Arizona Revised Statutes but does not have lawfully affixed thereto unexpired number or license plates assigned to the vehicle by any state. A motor vehicle, or any major portion thereof, which exhibits one or more of the following conditions: wrecked, partially or fully dismantled, stripped, substantially damaged, inoperable, unused, scraped, having the status of a hulk or shell, discarded, or unable to be safely operated.

Unauthorized Vehicle in an Assigned (Numbered) Space:

The Association has marked some of the parking spaces with numbers that correspond to the unit numbers. These spaces are assigned to and intended for the sole use of the legal occupants of those units. Unauthorized vehicles parked in those spaces for any length of time is prohibited. Vehicles in violation of this regulation will be towed away immediately at the owner's expense. The Association's authorized towing company has posted a sign with the telephone number on it at the entrances to the complex.

In an effort to control honest mistakes, please observe the following (if possible) when having a vehicle towed:

1. Try to find the owner and request removal. Often a courteous request will resolve this difficulty. If time allows, place a note on the windshield.
2. If the offending vehicle remains, please contact the management company with the following information:
 - (a) Name and address of the owner of the vehicle (if possible).
 - (b) Vehicle license number and description (make, model, color, number of doors, etc.)
 - (c) Location of vehicle (please be specific).

Recreation Vehicles:

No recreational vehicle shall be parked or stored on the common area pavement. This includes motor homes, mobile homes, trailers, boats, commercial trucks, or campers. If an owner has a recreational vehicle, arrangements must be made for off-site storage.

Washing of Vehicles:

Washing of vehicles is prohibited in the complex. This is due to the great deal of damage caused by water and detergents on the asphalt surface. Vehicles are to be taken off property to be washed. NO EXCEPTIONS. Violators are subject to fines.

Speeding:

The maximum speed limit in the complex is 15 mph. For the safety of all of our residents, please obey this regulation. Violators are subject to fines.

PETS

Only generally recognized household pets are allowed. If in doubt as to whether your pet qualifies, please call the Management Company. The keeping of pets is a responsibility and owners who violate the pet rules will be fined. All pets must be leashed (or carried) and accompanied while in the common areas. The pet owner or agent is responsible for cleaning up after their pets at all times. If the pet causes damage, the Board will assess the owner for

appropriate compensation. The pet owner or agent is responsible for ensuring that barking or other related noise is kept at a minimum to avoid disturbing other residents. Please contact the Management Company should you see an animal roaming the complex unleashed and/or defecating on the grounds. When you call, please provide as much information as possible: include a description of the animal, as well as the date, time and place of the occurrence.

POOL RULES

General common sense and courtesy must prevail at all times at the pool. There is no lifeguard on duty; therefore, children must be accompanied by adults at all times. The pool is a shallow game and exercise pool, varying from three to five feet in depth. Please contact the Management Company regarding a pool key for your use. Although not inclusive, the following rules apply:

1. Posted rules take precedence and are in force.
2. Jumping or diving into the pool is expressly prohibited.
3. No glass is allowed inside the enclosed pool area.
4. No food is allowed in the enclosed pool area.
5. No running is allowed in the enclosed pool area.
6. Offensive or loud noises and/or disturbances of any kind are strictly prohibited. *Offensive* is defined to mean excessive noise or disturbances that also offend the tranquillity of neighbors, guests and/or occupants of units near the pool.
7. Suntan oil must be washed off at the shower area prior to entering the pool.
8. Flotation devices or water games such as water polo, etc. are prohibited activities when there is a large number of people in the pool. *Large number* is defined to be in excess of ten people who are not directly involved in the water games.
9. No person under 16 years of age shall be in the pool and pool area unless accompanied by an adult 21 years of age or older.
10. Noise in the pool area after 10:00 p.m. and before 10:00 a.m. will be reduced to a level acceptable to all homeowners and their guests who live adjacent to or directly around the pool area. Any complaint about an unacceptable noise may result in:
 - (a) The pool being closed and chained for the evening.
 - (b) Anyone found in a chained pool will be arrested for trespassing.
11. Absolutely no pets are allowed in the pool and pool area. This is a health and safety requirement of the City and violations will invite immediate legal action.
12. No bicycles, tricycles, skateboards, roller-skates, rollerblades, etc. are allowed in the pool and pool area.
13. Pool key with I.D. tag must be in the possession of the resident while at the pool area.
14. Guests must be accompanied by the resident of the community while in the pool area.

SPAS

A portable spa may be placed on a ground floor patio by an owner. However, the owner is responsible for any damage resulting from the spa or its use. The owner must carry adequate insurance to cover any loss. Proof of insurance may be required and must be submitted to the Management Company on request. Any draining of water to the common areas is strictly prohibited. **Spas are strictly prohibited on the second story or level and/or second story balcony due to structural inadequacy.**

WATER CONSERVATION PROTOCOL/POLICY

Water is recognized both as a scarce resource and one of the top expense items in the Discovery at Villa de Paz annual budget. The Association was able to reduce its water expenses in 1991 by

\$17,000 just by asserting proper and mandated conservation management for irrigation. It is anticipated that close to \$10,000 additional could be saved per year by the proper and mandated conservation management of domestic water. This has a marked and tangible effect of the association fee paid by its members. The vision is that what is not done voluntarily now will eventually be forced upon the Association by state or local authorities when the first serious drought visits Arizona. Therefore, the Association has implemented a Water Conservation Program/Policy/Protocol that:

Monitors and reacts to excessive irrigation water usage
Monitors and reacts to excessive domestic water usage

The Association, through the Management Company, will monitor water usage. Using trend analysis and averages, excessive usage will be identified:

1. Determine if excessive use is due to irrigation or domestic water usage.
2. Excessive irrigation water usage will be promptly communicated to the landscape service company for correction. Notice of the corrective action will be communicated back to the Board by the next regularly scheduled Board meeting.
3. Excessive domestic water usage will be handled as follows:
 - (a) Residents of buildings where excessive water usage has been identified will be notified in writing that they must:
 - Immediately (within 30 days notice) schedule an Association sponsored, no-cost plumbing inspection for internal leaks. The no-cost service will include:
 1. Service all cost;
 2. Inspection and report to unit owner (or renter); and,
 3. Installation of water conservation kit. (The cost of more than one service call per year per unit will be invoiced to the unit owner)
 - (b) The cost of additional repairs required for water conservation not covered by the Association must be effected by the homeowner immediately. Normal maintenance of the sinks, toilets, showers, dishwashers and clothes washer is the responsibility of the homeowner. The individual homeowner might benefit from simultaneously scheduling such repairs in advance thus saving the service call cost.

A flagrant and ongoing lack of cooperation in the water conservation program will result in either a prorated water bill, a fine, and/or both.

CHILDREN AND MINORS

The Association is concerned about the amount of destruction that has been done and can be done by unsupervised children or children's guests in the complex. The repair of unnecessary destruction has become a costly item to all members of the community.

Please give proper care and supervision to your children or the guests of your children so that they are not:

1. Tampering with electrical boxes and the electricity to individual units.
2. Throwing rocks into the pool.
3. Throwing rocks at the lighting system and the walls and windows of the individual units
4. Destroying the landscaping by smashing shrubs and bushes and climbing into complex trees.

5. Destroying the sprinkler system by breaking sprinkler heads, pulling up irrigation lines and playing with sprinkler clocks and valve boxes
6. Climbing on the complex walls, playing around the dumpster areas or climbing on the dumpster walls.
7. Climbing on top of the covered parking structures or on the cars of owners in the community

Parents and guardians are fully responsible not only for their children, but also the guests their children have in the community. Please sit down and teach your children these rules and explain that destroying the property will end up costing you money. Fines will be assessed to the responsible party or parties for violations of the rules of the Association.

COVENANTS, CONDITIONS, AND RESTRICTIONS (CC&RS) ENFORCEMENT

All of the responsibilities of the individual homeowner as specified in the CC&Rs will be strictly and uniformly enforced. The Association will work together where information of economics of scale, quality service and quality products can be researched and made available through the newsletter and the management company. Please know and understand these responsibilities especially those referenced here:

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|---------------|----------------------------------|
| 1. Screens | 3. Back door |
| 2. Front door | 4. Utility (storage) closet door |

FINES AND REPORTING OF VIOLATIONS

Any infraction of these rules and regulations or the operating documents by the owner, resident family member, tenant, or guest shall result in a fine against the applicable owner

Violations shall result in a minimum \$50.00 fine. Unless otherwise indicated in any notice of an offense, a continuing offense shall be deemed to be a new violation every ten days until remedied. Any fine not paid will be handled in the same manner as any other delinquent assessment.

1st	Violation of CC&Rs/Rules	\$0-50
2nd	Violation of CC&Rs/Rules	\$75
3rd	Violation of CC&Rs/Rules	\$100
	Each subsequent violation	\$100

Pet Defecating or Per Off-Leash Violations \$50 per reported incident

Violations may be reported to Cuellar Realty Services, Inc., at (602) 277-7070. Violations involving parking, dogs, intoxication, noise, or abusive behavior may also be reported directly to the Phoenix police at (602) 262-6151, or if a serious emergency 911. Thank you for your cooperation in helping make Discovery at Villa de Paz a better community for those who live here.