

**The LEGENDS at Santa Rita Springs
Homeowners Association, Inc.**

**The HANDBOOK of Association Rules And
Regulations (AR&Rs)**

Revision F

(Includes Revisions through March 15, 2023)

**Board of Directors
The LEGENDS at Santa Rita Springs**

PREFACE:

The Handbook of Association Rules and Regulations is provided to homeowners in the Legends, so that they may be aware of the Rules and Regulations and their importance. The Association Rules and Regulations are listed in the order in which they were adopted by the board of directors.

DEFINITION:

Association Rules and Regulations as defined in CC&R 5.4 empower the Board of Directors (BOD), by a majority vote, to adopt, amend or repeal the rules and regulations of the Association. Association Rules and Regulations may restrict and govern the use of the Common Areas so long as they do not discriminate among owners, do not contradict the Governing Documents, and do not add restrictions not found in the CC&Rs. Upon adoption by the Board of Directors the Rules and Regulations shall have the same force and effect as if they were set forth in the CC&Rs.

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Association Rule and Regulation 1: Homeowners Submitting Letters

To assure homeowner's concerns are fully addressed and acted upon, the following procedure will be adhered to:

1. A letter or memo (hard copy) will be addressed to the Board of Directors (BOD), delivered through a board member, or through the HOA's management company, or presented at a workshop or formal board meeting.
 2. The letter/memo contents will be placed on the agenda of the next board meeting, and the same will be read to the attendees in total, or, at the president's discretion, a summary may be read. Upon the BOD's acceptance, the letter/memo will be assigned to the proper HOA committee for review and recommended action. If not accepted, the BOD will notify the homeowner of its decision and the reason within 30 days.
 3. The recommended action will be debated and voted on (if required) at a subsequent board meeting with final notification to the homeowner within 30 days.
- Items that would not be accepted are complaints that should be handled by the HOA's

management company.

Association Rule and Regulation 2: Recreation Vehicle (RV) Parking

Only RVs owned by Legends homeowners may be parked in the Legends for 72 hours maximum. No other RVs can be parked in the Legends. Such parking must not interfere with any neighbor's driveway or street access.

Parking of an RV is for packing, unpacking or cleaning only. No overnight occupancy is allowed. Slide-outs may be extended during daylight hours for cleaning and packing. Electric cords and water hoses may be run to the rig to facilitate cleaning and loading. Noticeable safety flags and/or cones must be prominently placed around the RV.

Association Rule and Regulation 4: Homeowners Submitting Amendments to the Governing Documents

Any HOA member may submit an amendment to the CC&Rs or Bylaws to be voted on at the Annual Meeting. The submittal process is as follows:

1. The submittal shall be in writing; shall describe the need or argument for the change; and shall describe the new language of the proposed amendment.
2. The submittal shall be accompanied by a signed petition of 1/5th of the membership (44 homeowners in good standing with one signature per residence).
3. The submittal must be received by the Board of Directors (BOD) no later than the third week of December prior to the Annual Meeting held the following February.
4. The BOD will review the submittal language to assure that it meets with county, state and federal laws. Upon approval of the language of the proposed amendment, the BOD will place the proposed amendment on the Annual Meeting Ballot. To amend a CC&R Article requires 67 percent or 146 yes votes of a possible 218 homeowners. To amend a Bylaw Section

requires 51 percent or 111 yes votes of a possible 218 homeowners.

5. Within 45 days of the acceptance by the HOA membership, the amended Article or Section will be recorded with Pima County and copies mailed to all Legends HOA members.

Association Rule and Regulation 10: Homeowners' Letters – Access, Filing and Storage

PURPOSE

The purpose of this AR&R is to provide guidelines for the filing, access and storage of letters and memos submitted by Legends' homeowners to the Board of Directors. Access is provided for, but not limited to, the following cases:

- Allow letters/memos to be available for review by any Legends homeowner
- Provide easy retrieval and access to letters/memos, particularly for review during evaluation of a proposed or recommended action
- Allow a letter/memo to be easily located, rather than looking through several meeting minutes

REFERENCED DOCUMENT(S)

Association Rule & Regulation: Homeowners Submitting Letters

GUIDELINES

1. Letters are acceptable in either hand-written form or in electronic format. Acceptable electronic formats include a word processor document (i.e. Microsoft Word) or email.
2. A letter accepted by the Board for action shall be noted in the current agenda, with the notation "Accepted – [committee name] action." A letter not accepted for action shall be so noted with the notation: "Not accepted – No action" or similar notation.
3. Each letter shall be filed with the Association Manager. Filing shall be by a category or keyword (i.e. homeowner last name).

4. Hand-written letters must be scanned to permit electronic filing.
5. Letters on file shall be available at the Association Manager's office for review by any Legends homeowner or Board member.
6. Hard copy letters shall be retained/filed three years, after which time they shall be electronically scanned. Electronic copies shall be retained/filed 10 years.
7. For research and reference purposes and to aid access, an index of letters on file shall be maintained by the Association Manager, and a current copy of the index shall be available at Board level. At minimum, the index shall contain homeowner name, topic, date and disposition of letter.

(Adopted November 05, 2009)

(Section 8 regarding website deleted on 11 February, 2015)

Association Rule and Regulation 11: Signage and Patio/Garage Sales
(Revision approved by Legends Board on April 25, 2018)

Purpose: The purpose for this rule is to remove the Association position on Signage and Patio/Garage Sales from the Design Guidelines and put them in this document.

- **Signage:** No signage is allowed on any build lot except during periods of an "Open House." "Open House" signs may be posted within the front yard of the property during hours of the Open House only. No more than eight open houses are permitted per month per residence for sale. (refer to CC&R 12.3.1) Directional signs are permitted in the subdivision and must be removed at the conclusion of the open house.
- **Patio/Garage Sales:** Patio and Garage Sales are allowed. They are, however, limited to two per year per residence. The sale must take place between the hours of 7 a.m.

and 5 p.m. Signs for the sale are permitted but must be limited to three signs in common areas, and one in front of the home. The signs must only be posted during the hours of the sale and must be taken down after the sale ends. The size of the signs must not exceed five square feet in total per sign. No parking will be allowed on the neighbor's driveways or blocking of any neighbors' driveway as well as parking on Common Area. Those conducting yard sales, garage sales and estate sales are responsible for traffic monitoring so not to *impede the flow of traffic on the community's streets*.

Association Rule and Regulation 13: Management, Reserve Fund for Asset Repair & Replacement (approved by Legends Board on April 06, 2016)

BACKGROUND: CC&R 8.2.2 requires the Board of Directors to establish a reserve for repair and replacement of all Legends assets (herein, the "RESERVE FUND"). The RESERVE FUND has been established based upon a 2004 Reserve Study which, among other things, instituted a Reserve Funding Schedule of the cost and life expectancy for Legends assets, and a recommended procedure for using the Reserve Funding Schedule to maintain an adequately funded RESERVE FUND.

By Laws 9.5.1 A & E requires the Finance Committee to monitor the RESERVE FUND, and recommend annually to the Board the contribution needed to maintain adequate RESERVE FUND liquidity for performing repairs and replacements when needed. The Board reviews the recommendation, and determines and approves each annual contribution. The annual contribution to the RESERVE FUND can vary from year to year, depending upon changing circumstances and economic conditions.

PURPOSE: This AR&R documents procedures implementing the above CCR and By Law provisions.

(A) FINANCE COMMITTEE AND TREASURER RESPONSIBILITIES.

1. Schedule Maintenance. The Schedule of cost and life expectancy for Legends assets shall be maintained by the Finance Committee. The estimated cost/life expectancy of each asset shall be reviewed, and updated if needed, at least every three years using data from potential vendors or other reliable data sources. Information from up to three sources shall be obtained whenever practical. The Schedule shall be supplemented with the costs/life expectancies of any additional existing assets which may have been erroneously or inadvertently excluded. In the event of Legends purchase or creation of new assets (i.e., assets not previously in existence and owned

by the Legends), such new assets shall be added to the Schedule promptly following their purchase or creation. Based upon the most current cost/life expectancy data, the Committee shall maintain the estimated annual contributions required for not less than the subsequent thirty years needed to maintain an adequately funded RESERVE FUND. The updated Schedule shall be made available for Board of Directors review.

2. Recommended Annual Contributions to RESERVE FUND. As part of each annual budget process, the Finance Committee shall consult with all Legends Committees to determine the adequacy of Schedule entries for repair or replacement of assets within the responsibility of such Committees. Based upon the consultation with the Committees, and other data generated by the Finance Committee, the Schedule shall be updated and used to determine a recommended contribution to the RESERVE FUND for the upcoming budget year, and incorporated in the budget proposal given to the Board of Directors.

3. Expenditures from the RESERVE FUND. Repair or replacement of Legends assets shall be made only when deemed necessary by the responsible Committee, or by the Board of Directors in the absence of Committee recommendations. The Board approved guidelines for expenditures to repair or replace existing Legends assets are as follows:

a) Source of Funds: (1) For assets not listed in the current Reserve Funding Schedule, if the cost is greater than \$1000 and the projected useful life of the asset is at least two years, the expenditure will be made from the Reserve Fund; if the cost is \$1000 or less, or the useful life is less than two years, the expenditure will be made from the Annual Operating Budget. (2) For assets listed in the current Reserve Funding Schedule, all expenditures will be made from the Reserve Fund.

b) Approvals: Any expenditure to repair or replace a *Legends asset* included in the current Reserve Funding Schedule, and which is for \$1000 or less, may be made with the approval of the Chair of the responsible Committee and the Legends' Treasurer; any expenditure for assets not included in the current Reserve Funding Schedule, or which is greater than \$1000, also requires the approval of the Board of Directors.

c) New Assets: Cost of purchase or creation of new assets shall be made from other Legends assets, and not from the RESERVE FUND. Any question of whether an asset is an existing asset or a new asset shall be resolved by decision of the Board, upon considering the recommendations of all appropriate Committees.

4. Management of RESERVE FUND assets. RESERVE FUND assets shall be segregated from other Legends assets, as required by Legends CC&Rs and

Arizona State law, and may be invested in any investment permitted under State law, consistent with the primary goal of preservation of capital. Should the Legends purchase or create a new asset, as discussed in sections 1 and 3(c), above, funds may be borrowed from the RESERVE FUND upon Board approval, to avoid the need for a special assessment or for outside borrowing pursuant to Legends CC&Rs and By Laws. All such borrowings from the

RESERVE FUND shall be subject to the following conditions:

- (a) no single borrowing for a new asset shall be for a term exceeding five years;
- (b) aggregate borrowings outstanding at any point in time may not exceed \$5,000;
- (c) interest on each borrowing shall be at a simple annual rate not less than the current average return earned on invested RESERVE FUND assets, or one percent per annum, whichever is greater; and
- (d) such other conditions, if any, which may be imposed by the Board of Directors.

(B) BOARD OF DIRECTOR RESPONSIBILITIES.

1. Make the final determination on the appropriate amount of each annual contribution to the RESERVE FUND, based upon review of the Annual Budget and the annual contribution recommended by the Finance Committee;
2. Review and discuss the Reserve Funding Schedule from time to time with the Finance Committee;
3. Review and approve expenditures from the RESERVE FUND, consistent with section (A)3, above;
4. Review and approve all borrowings from the RESERVE FUND, under section (A)4, above;
5. Provide general oversight management of all aspects of the RESERVE FUND management and investment, constant with the Board's general responsibilities.

Association Rule and Regulation 14: Bird Feeders (Reference CC&R 12.3.1)

- Bird feeders of any kind are not allowed to be placed in the common area, nor overhang onto a common area from a homeowner's property.
- Bird feeders or bird seed blocks cannot be placed on the homeowner's perimeter wall.

- If you use a feeder within the confined of your property lines, it is strongly suggested that they should be of the type that does not allow seeds to fall onto the ground.
- Seed spill encourages ground feeding birds, packrats and other rodents, snakes, including rattlesnakes, and may attract javelinas and bobcats.

Association Rule and Regulation 15: Required Use of Contracted Trash / Recycling Service

In order to reduce the amount of heavy truck traffic on streets of the Legends, homeowners are required to utilize the services of the trash / recycling company with which the Legends has a contract. Use of any other trash / recycling company is prohibited.

Association Rule and Regulation 16: Enforcement Policy

The following Enforcement Policy was duly adopted by the Board of Directors of The Legends at Santa Rita Springs Homeowners Association (“Association”) on the 15th day of February, 2023 pursuant to the Arizona Planned Communities Act [A.R.S. §33-1803] and supersedes any enforcement procedures or policies previously adopted by the Association’s Board of Directors (“Board”). The Board has the duty and authority to enforce the Community Documents, including the Rules & Regulations.

1. Reporting a Violation. Verbal complaints about violations on Lots will not be accepted from Owners or residents. The complainant must submit his/her complaint in writing to the community manager. The pertinent provision in the Arizona Planned Communities Act [A.R.S. §33-1803] requires that the name of person(s) observing the violation may have to be revealed to the alleged violator. In addition, the complainant may be called upon to testify in court as to the details of the violation.

2. Courtesy Notification. If the condition of a Lot is in violation of the Community Documents, as noted by or reported to the Board of Directors, an Association representative will contact the Owner in writing (via email, hand delivery or U.S. Postal Service). The Owner will be informed of the violation and asked to rectify it within the following two weeks.

3. Notice of Violation. If the Owner fails to correct the violation on his/her Lot within two weeks from the date of the courtesy notification or has not made alternative arrangements with the Board (through the community manager), a first notice of violation will be sent to the Owner (via first class mail) with a timetable for corrective action, which will be at least 21 calendar days from the date of the notice. If the Owner is leasing the Lot, the Association may provide a copy of the Notice of Violation(s) to the Owner's tenant; however, the Owner is the party responsible to the Association for non-compliance with the Community Documents involving his/her Lot or the occupants of the Lot.

4. Contents of Notice of Violation. The Association's notice of violation shall provide at least the following information:

- A. The rule or restriction that allegedly has been violated.
- B. The date of the violation or the date the violation was observed.
- C. A copy of this Enforcement Policy to assure the Owner is aware of the process he/she must follow to contest the notice.
- D. Action required to remedy the non-compliance.

5. Contesting the Notice of Violation. If the Owner wishes to contest the notice of violation, he/she shall provide a written response by certified mail within 21 calendar days after the date of the Association's notice of violation, which shall include a request for any additional information he/she requires. This response shall be sent to the Association's address shown on the notice of violation. Arizona law requires notice that an Owner may petition the Arizona Department of Real Estate for an administrative hearing pursuant to A.R.S. §32-2199.01.

6. Response by Association to Owner. Within 10 business days after receipt of the Owner's response, the Board of Directors shall respond to the Owner with a written explanation regarding the notice of violation and shall provide any additional information the Owner reasonably requires *in addition to the first and last name of the person(s) who observed the violation.*

7. Alternative Enforcement Options. After the procedures in Paragraphs 5-6 are completed, or after the 21-day response period set forth in the first notice of

violation (if the Owner has not responded in accordance with the procedures in this Enforcement Policy), the Board may choose to follow the procedures set forth in Section 11.1 of the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions for The Legends at Santa Rita Springs ("CC&Rs") and use "self help" to correct the violation(s) on the Lot. Alternatively, the Board may refer the matter directly to the Association's attorney for further action in accordance with Section 16.6 of the CC&Rs. If the Board elects to use self-help or to refer the matter to the Association's attorney, Paragraphs 8-17 below do not apply.

8. Notice of Hearing. After the procedure in Paragraphs 5-6 is completed and the non-compliance still has not been cured, the Association may send the Owner a "Notice of Hearing" via certified mail, return receipt requested and first class mail, wherein the Owner will be invited to attend the next regular Board meeting or a special Board meeting, and will have an opportunity to be heard before further enforcement action is taken. The date, time and location of the hearing shall be stated in the Notice of Hearing.

9. Designated Representative. An Owner may present to the Board (prior to or at the hearing) written notification that another person is the Owner's designated representative. A designated representative may speak on behalf of the Owner.

10. Procedure for Hearing. The hearing will be held in executive session unless the Owner requests the hearing takes place in an open meeting. Procedure for the hearing will be set by the Board of Directors. The Owner and his/her designated representative will be informed of the procedure before the hearing begins. The Owner and/or his/her designated representative will be given an opportunity to present supporting documentation and testimony to show cause why further enforcement action should not be authorized by the Board, which could include the levy of a monetary penalty and/or referral of the matter to the Association's attorney.

11. Proof of Delivery of Notice. Proof of delivery to the Owner of the Notice of Hearing shall be deemed adequate if a copy of the Notice, together with a statement of the date and manner of delivery is entered into the minutes of the hearing, by the officer, director, or agent who mailed or delivered the Notice.

12. Procedure if Owner or Representative Does Not Appear. If the Owner or his/her designated representative does not appear at the hearing, they shall be deemed to have waived their right to a hearing, and the Board may levy a monetary penalty, take other enforcement action, and/or refer the matter to the Association's attorney for further action.

13. Board's Decision. Notice shall be sent to the Owner within 10 business days after the date of the hearing, stating the Board's decision, including the amount of any monetary penalty or other enforcement action that may have been imposed by the Board, and its due date or date of implementation.

14. Schedule of Fines: For architectural violations: initial penalty of \$300 and \$300 for each month or portion of a month thereafter until the infraction is remedied. For all other violations: Initial penalty of \$100 and \$100 for each month or portion of a month thereafter until the infraction is remedied.

15. Delinquency of Penalty. Any monetary penalty imposed, which has not been paid within 15 days after its stated due date, shall be delinquent, and a late charge of \$15.00 or 10% of the penalty, whichever is greater, shall be added to the penalty.

16. Collection of Penalties. The Association shall have a lien for penalties and associated late charges, attorney fees and costs, imposed for violation of an Association rule or restriction, after the entry of a judgment in a civil suit for penalties, late charges and associated attorney fees and costs, by a court of competent jurisdiction, and the recording of that judgment in the office of the Pima County Recorder. This lien shall be effective on conveyance of any interest in the subject Lot. The Association may collect the amounts due under the judgment prior to conveyance of the Lot, by any lawful means.

17. Recorded Notice of Violation. The Association may also record a Notice of Violation in the office of the Pima County Recorder in accordance with Section 16.7 of the CC&Rs.

18. Cumulative Rights and Remedies. All rights and remedies of the Association at law or in equity are cumulative, and the exercise of one right or remedy shall not waive the Association's right to exercise another right or remedy. This means that the Association's Board can decide to bring a lawsuit against an Owner to enforce an applicable Association rule, restriction or statute in addition to or instead of imposing a monetary penalty. This also means that all pertinent provisions of the Declaration also apply.

Warner R. Langst

SECRETARY

3-15-2023