WALNUT CANYON VILLAGE 1 TOWNHOUSES, A 1**COMMUNITY RULES**
(Revised March 14, 2024)

WELCOME TO
WALNUT CANYON VILLAGE 1

INTRODUCTION

The following Community Rules and Regulations ("Rules") are a supplement to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Walnut Canyon Village I Townhouses, a Condominium (the "CC&Rs" or "Declaration") and the Bylaws and are not to be considered as the sole statement of regulations. Any conflict between these Rules and the Declaration, the Declaration shall prevail. Any conflict between these Rules and the Bylaws, the Bylaws shall prevail.

The Rules have been established by the Board of Directors of the Walnut Canyon Village 1 Townhouses (the "Association"). These Rules remain effective unless or until amended or rescinded by the Board of Directors.

Whether you are a Unit Owner or a tenant, all people living in the Walnut Canyon Village 1 Association must observe and abide by these Rules. For those Unit Owners or a tenant's other occupants and/or pets the Unit, the compliance of all occupants and pets is just as vital. Unit Owners will be held responsible for the actions of occupants and pets residing and/or visiting their home. Family members, guests and invitees must also abide by these Rules. It is the Unit Owner's sole responsibility to provide a copy of these Rules to their tenant(s).

The Board of Directors solicits your cooperation in keeping the Walnut Canyon Village 1 Association an attractive place to live and a community in which we all take pride. The policies set forth or reflected in these Rules are designed as guidelines for good community relations and to protect the investment of all Unit Owners.

INFORMATION

BOARD OF DIRECTORS

The Board of Directors of the Association is comprised of a minimum of three (3) members and a maximum of five (5) members, elected by the Association's Members at each Annual Meeting. The Board of Directors are responsible for the overall management of the affairs of the Association and work closely with the property management company hired by the Board to oversee the day-to-day operation and interact with the various vendors hired by the Association to perform various maintenance and repair tasks as needed.

ANNUAL MEETING

An Annual Members meeting must be held at least once every 14-months; however, our Association usually conducts the Annual Member's meeting in June of each year. Meeting notices will be mailed to each Unit Owner in accordance with the Association's Bylaws.
Absentee ballots will also be included in that mailing to provide for Unit Owners who are unable to attend the Annual Meeting but would like to cast their vote. In the event the meeting's date, time and/or location must be changed, all Unit Owners will be notified, by United States first class mail, postage prepaid, of the change at least fifteen (15) days prior to the new date of the annual meeting.

INSURANCE

The Association carries a master insurance policy. The HOA's master policy covers the building and original builder installed items, such as but not limited to, cabinets, built-in appliances, sinks, toilets, counter tops, etc. Any upgrades/improvements/betterments made by previous or current Unit Owners are not covered by the HOA's policies and must be insured by the Unit Owners. The policy carrier is subject to change each year. This insurance policy DOES NOT cover any personal property of the Unit Owner, tenant(s), or other occupant(s) of the Unit. Unit Owners, tenants, and occupants must carry their own private insurance for their personal property and personal liability coverage. Some insurance companies offer "HOA Deductible" coverage. Check with your personal insurance agent regarding this coverage. Please check with the Management Company if you have any questions pertaining to the Association's insurance policy.

ASSESSMENTS

An annual assessment payment is charged to each Unit Owner to provide the necessary funds for those items shown on the budget, which includes funding an adequate reserve account for future major repairs/replacement of Common Elements and to pay for the maintenance of all Common Elements, maintenance of landscaping, pest control, limited property and liability insurance coverage, maintenance of the exterior of the buildings, roofs and utilities the Association is responsible for providing and maintaining. Late fees are currently ten percent (10%) of the amount due and are subject to change as determined by the Board of Directors. Payment due dates are subject to change and are established by the Board of Directors.

COMMUNITY RULES

The Rules and regulations shall apply and be binding upon all Unit Owners, Tenants, Occupants, Guests, and Invitees. Unit Owners are solely responsible for ensuring their family members, guests, invitees, pets, tenants/occupants and tenant's/occupant's family members, pets, guests, and invitees are notified of and always abide by the Rules of the Association. These Rules and Regulations may be amended as needed from time to time at the discretion of the Board of Directors.

1. Access to Townhouse

   All sidewalks, walkways, driveways and/or entrance ways shall not be obstructed or encumbered or used for any purpose (excluding balconies, patios and/or decks) other than ingress and egress to and from the Unit; nor shall any bicycles, carts, wagons, toys, shopping carts, or any other objects of similar type and nature be left therein or thereon.

2. Personal Property Storage

   The personal property of all Unit Owners/Tenants/Residents shall be stored within the Unit or Unit's garage. Personal property placed in Common Elements is not permitted. The Unit Owners should keep in mind that Common Elements are just that —common to ALL owners. However, a Unit Owner may place such items as potted plants, bird feeders, barbecues, etc. within two (2) feet of the Unit's side and back roof dripline. Semi permanently affixed items such as steppingstones, statues, bird stands, potted plants, etc., shall not be placed more the two (2) feet from the roof dripline into the Common Elements without prior, written approval of the Board or Architectural Committee. Any items (temporary or semipermanent) in the Common Elements, including placement within two (2) feet of the Unit's dripline, even with prior Board or Architectural
   Committee approvals are subject to removal by the Association at any time, in response to change in policy or if the Architectural Committee and/or Board determines such item(s) is/are unsightly, do not fit in with the landscape, or for any other reason should not be there.

3. Trash

   All trash, garbage and refuse of any type shall be bagged and placed into City of Flagstaff authorized trash and/or recycle containers and not allowed to accumulate in or around Unit, Common Element or Limited Common

Element. Garbage and recycling containers must always be kept inside of the garage, except for scheduled collection days. Please place your trash/recycle container at the curb no sooner than 5:00 pm the day prior to collection days. Garbage and recycle containers shall be placed back into the garage no later than 9:00 pm on collection day.

4. Vehicle Storage
   All inoperable and/or unregistered vehicles shall always be kept inside of the garage or stored outside of the Association. All recreational or utility type vehicles, trailers, motorhomes, boats, or any other like and type of recreational or utility type of vehicle shall be kept inside of the garage or stored outside the Association.

5. Authorized Vehicles
   The only motorized vehicles authorized to be operated within the community are vehicles that are currently registered, with valid license plate attached, properly insured, and are driven by an authorized and licensed driver as outlined in A.R.S. Title 28 or any subsequent successor statutes. Electric or gasoline powered motor operated skateboards, mini-type motor bikes that are not registered and licensed to be driven on the streets by the Department of Motor Vehicles are prohibited from being operated or driven within the property.

6. Parking
   All streets within the Association are private streets. No parking is permitted on any grass or gravel landscaped areas throughout the Association. Parking is restricted to the non-fire lane side of the street. All attempts to park in garages and/or driveways shall be made by all Unit Owners, tenants, family members, guests, and invitees. At least two vehicles must be parked in the garage and/or driveway before any vehicles may be parked on the street. Street parking is allowed but is limited to a maximum of 24 consecutive hours at a time and limited to an aggregate of 48 hours in a 7-day period unless a permit has been obtained from the Board to permit parking for a longer period. No vehicles shall be placed on jacks of any kind for repair except in emergency situations that can be rectified within 24 hours. Vehicles will be towed at the vehicle owner's expense. No street parking is allowed anywhere in the Association from November 1st through March 31st due to City ordinance and snow removal purposes.

7. Referral to Community Manager

No Unit Owner, tenant, resident, or other person shall direct, supervise or in any manner attempt to assert any control over any employees or contractors of the Association or the Association's Community Manager at any time. Refer any questions or complaints to the Community Manager on the next business day.

8. Wildlife

It is against our Rules and Regulations to feed the wildlife, particularly the ducks and geese. A fine may be levied if witnessed and/or reported. See City of Flagstaff Outdoor Feeding and Protection of Wildlife Ordinance Section 6-01-001-0023.

9. Loud Noises

No Unit Owner, tenant, family member, guest or invitee shall permit any unnecessary loud noises from the Unit that would cause a nuisance to other residents within the Association. No vocal to instrumental instruction shall be permitted to be conducted in any Unit. No Unit Owner, tenant, family member, guest, or invitee shall play any musical instrument or operate any equipment such as, but not limited to, any radio, stereo, CD, DVD, VCR or tape player, television, phonograph, or any other sound type equipment in such a manner as to disturb or annoy other residents within the Association at any time. Volume levels shall be reduced to levels that cannot be heard outside of the Unit by 11:00pm each day.

10. For Sale/Rent/Lease Signs

A "For Sale" or "For Rent/Lease" sign may be displayed on a Unit, the Unit's garage, or the Limited Common Element patios, balconies, or front yard area of each Unit. Such signs shall not exceed eighteen (18) by twenty-four (24) inches in size. Sign riders shall not exceed six (6) by twenty-four (24) inches in size and no more than 3-rider signs shall be affixed underneath any "For Sale" or "For Lease/Rent" sign.

11. Political Signs

Political Signs may be displayed on the Unit or Limited Common Element (such as doors, walls, patios, or other Limited Common Elements that touch the Unit) other than the roof. Political signs shall not be displayed more than 71 days prior to the election date and shall be removed no later than 3 days

after said election date. For purposes of this section a political sign is one that attempts to influence the outcome of an election, including supporting or opposing the recall of a public officer or supporting or opposing the circulation of a petition for a ballot measure, question or proposition or the recall of a public officer.

12. Awnings, Canopies, Window coverings, etc.

No awning, canopy, shutter, or other projection shall be attached to or placed upon the outside walls or doors or the roof of any Unit without the written consent of the Architectural Committee and/or the Board of Directors, as they may be one of the same. All interior window coverings shall be in accordance with any Architectural Rules and shall be of such color and material that is customary to residential Units, such as, but not limited to, vertical or horizontal blinds, plantation-type shutters, drapes, curtains, etc. No aluminum foil, reflective-type material, blankets, sheets or unsightly type of material or coloring shall be permitted. All window screens shall be of a charcoal gray coloring.

13. Storage of Flammable items

No flammable, combustible, explosive fluids, chemicals, gases, or substances shall be kept in any UNIT or garage of any Unit or Limited Common Elements except such as type and quantities as are required for normal household use.

14. Fireworks, etc.

No fireworks, explosive devices, or any other similar type of devices and/or products may be used, discharged, stored, etc. anywhere within the boundaries of the Walnut Canyon Village I Townhouse Association or inside any Unit or Unit's garage at any time. Unit Owners may store handguns and/or rifles and ammunition inside their Units but not discharge them within the Common Elements.

15. Clothes Lines, etc.

No clothesline or clothes drying facilities of any type or kind shall be permitted on any exterior portion of any Unit, Common Elements and/or Limited Common Elements.

16. Pets

All pets shall always be kept on leashes or carriers when outside the Unit. Leashes must always be held by the pet's owner/caretaker. Pet owners are solely responsible for and shall immediately pick up all pet waste droppings deposited anywhere within the Association and disposed in the pet owners' garbage container.

17. Non-structural Improvements

Non-structural improvements of any kind that affect the outside appearance of the Unit must be approved, in writing, by the Board of Directors or the Architectural Committee. Front and garage access doors can be replaced by the homeowner at their expense; however, the look must be consistent with the existing doors. Homeowners are responsible for painting them and the color must match the current color scheme. Any Unit Owner who wishes to install a screen or security door must have the written approval of the Board or the Architectural Committee before such door may be installed.

18. Structural Modifications

An Owner shall not make structural modifications or alterations in or to a Unit without first obtaining the written approval of the Board of Directors and/or the Architectural Committee prior to any work being performed, such as, but not limited to, installation of air conditioning units, including the location and specifications on the units. Antennas, satellite dishes, and related wiring must follow the Walnut Canyon Village I Townhouses Association, Inc. Antenna Resolution and Policy recorded on April 3, 2009, at Instrument No. 3518962, official records of Coconino County, Arizona. These antenna/dishes may NOT be installed on the roof, and if no longer in use, be removed from the property at Unit Owners expense. Permanent patios can only be extended to the drip line, i.e., concrete, or wooden decks can be extended approximately two feet. If a wooden fence is added, it must have a consistent look with existing community fences. No noise audibles in or outside of Units will be made because of the work except between the hours of 7:00 am and 7:00 pm, Monday through Saturday.

19. Landscape Maintenance/irrigation

Landscape maintenance within the Association includes the mowing of turf areas, periodic fertilization, periodic weed control, periodic trimming of shrubs and trees, removing landscape debris and trash and irrigation maintenance and repair to the Common Elements. Although the Landscape

Company periodically monitors all sprinkler heads to make sure they do not hit the Townhouse, are working properly, and pointed in the right direction, homeowners are responsible to report any irrigation issues to the Management Company. No "tapping" into the irrigation lines for personal use is permitted. "Tap-ins" will be immediately removed by the Management Company or Landscape Company and the Unit Owner may be assessed a fine of up to $200 plus cost to restore the irrigation line(s) to their original condition.

20. Landscaping in Common Area

Homeowners shall not plant in the common areas and may not remove, trim, or otherwise alter any common area tree or shrub without prior consent of the Board via a Design Review form. A garden area can be extended up to six feet beyond the drip line provided it does not intrude upon Continental property, does not affect common area trees or shrubs, and it cannot be used as a patio. It must NOT be a permanent structure, therefore could be either unconcerned dry stack stone or interlocking blocks.

21. Garden Area Along Garage and Walkway.

This area is the responsibility of the homeowner. Any landscaping, trimming, or watering done here is at the owner's expense. Landscaping in this area must be consistent with the existing landscaping in the Association.

22. Patios/Decks

Patios and decks shall be kept clean and free of litter, animal waste and/or unsightly or worn/torn furniture and are not to be used for storage. Rugs, towels, etc. shall not be hung on or draped over railings. Potted plants must be maintained in good condition and, if plants die, they are to be removed immediately or replaced with new plants. No wall-mounted planters or any other type of decoration shall be placed on exterior walls without the written approval of the Board of Directors or the Architectural Committee. Barbecues may be used on patios or decks in accordance with any city ordinances and/or fire code/restrictions, but must be kept clean and, when8 not in use, propane/gas sources must be turned off. If a charcoal burning barbecue is utilized, used ashes must be bagged and disposed of in the Unit Owner's trash container after that has been allowed to cool.

23. Seasonal Decorations/Lighting

Seasonal decorations and lighting are permitted but must be removed within ten (10) days after the holiday. No decorations may be placed on the roof of the Unit at any time.

24. Snow Removal

The Association is responsible for periodic snow removal and/or plowing of snow from the Association's streets and roofs of the Units, when necessary. Owners must keep snow from building up around the exterior walls, windows and/or doors. Owners are also responsible for snow removal from walkways and driveways. Owners shall not use any deicing chemicals or granulated salts, or other products produced for snow removal on any concrete surfaces as these products may cause damage to the concrete. Unit Owners will be responsible for repairs and/or replacement of any concrete due to use of the above listed items.

25. Security

The following procedures are designed to make community security more effective:

1 Community lighting is provided not only for appearance, but also for safety and security. Please report all inoperable lighting to the Management Company immediately. Owners are responsible for replacing light bulbs on all exterior lights.

2 Any unusual or suspicious activities should be reported immediately to the Flagstaff Police Department and the Management Company.

26. Unoccupied Units

If any Unit will be unoccupied for any period exceeding seven (7) days, Unit Owners are strongly encouraged to turn off the water at the water meter near the street or, at a minimum, turn off all water valves inside the Unit, such as, but not limited to, clothes washer, sinks, toilets, etc. Unit Owners are solely responsible for all water pipes within the walls of their Unit.

27. Unit Inspection

All Unit Owners MUST inspect the interior of their Units a minimum of once per month for signs of possible water leaks from roofs, skylights, etc. Any damage or suspected damage MUST be reported to the Association's

Management Company immediately upon discovery. If damage is not reported, the Association will only pay to repair the exterior damage to roofs, siding, etc. but will not pay for any repairs to damages inside the Unit because of the negligence of the Unit Owner(s) not reporting, in a timely manner, the suspected damage at the time they discovered it.

28. Insurance

As stated in the Declaration (CC&R's) the Association maintains an insurance policy which provides liability coverage and casualty coverage for the Common Elements, the Limited Common Elements, and the Units in the event of fire or other covered perils. The Association's insurance policy does not include coverage for Unit Owners', occupants', or tenants' personal property. Unit Owners, occupants and tenants must provide their own personal insurance coverage for personal property and other items not covered by the Association's policy. Except in the case of damage caused by negligence or willful conduct of the Owner or the Owner's agent, licensees, invitees, tenants, guests, family or pets: (a) the Association will be responsible for the portion of the deductible relating to damage to the Common Elements and/or portions of the Lots (including Townhouses) maintained by the Association per Section 6.1 of the Declaration and (b) the Owner(s) of the affected Lot(s) will be responsible for the portion of the deductible relating to damage to the Lots (including Townhouses) maintained by the Owner'(s) of the Lot(s) per Section 6.2 of the Declaration. In the case of damage caused by the negligence or willful misconduct of the Owner or the Owner's agents, licensees, invitees, tenants, guests, family or pets, the responsible Owner shall be responsible for the entire amount of the deductible.

The Board shall determine the amount of the deductible to be paid by each party. In addition, each Unit Owner shall be liable to the Association for costs not covered by insurance, relating to damage to the Common Elements or portions of the Lots and Townhouses maintained by the Association which results from the negligence or willful misconduct of the Owner or Owners agents, licensees, invitees, tenants, guests, family, or pets.

The Association's insurance policy provides no liability coverage for Unit Owners, their family members, pets, tenants/occupants, tenant' s/occupant's family members, pets, guest, or invitees. Any personal liability coverage must be provided for by the Unit Owner and/or their tenants or occupants.

The Association's insurance policy does not provide coverage for any interior upgrades made to the Unit by previous, current, or future Owners. You should consult with your personal insurance agent to make sure you are adequately insured for these items as well as your personal items. If you have any questions regarding insurance, please contact the management company.

29. Payments

All Payments made to the Association for Assessments, Special Assessments and any other fees payable to the Association shall be made payable to the Walnut Canyon Village I HOA and personally delivered, during regular business hours or mailed to the Association at Mailing address:

Walnut Canyon Village I HOA
C/O Peaks HOA Management
1016 W. University Avenue Suite 203
Flagstaff, AZ 86001

These Rules and Regulations are hereby revised as of March 14, 2024.

THE BOARD OF DIRECTORS
Walnut Canyon Village I Townhouse Association