

RESOLUTION OF THE BOARD OF DIRECTORS
CORAL POINT DBA THE FALLS HOMEOWNERS ASSOCIATION

WHEREAS, pursuant to Article III, Section 3.3 and Article XIV, Section 14.1 of the Declaration of Covenants, Conditions for Coral Point DBA The Falls, recorded on July 31, 1985 as Document No. 85 365783, in the Official Records of Phoenix, Arizona, and all amendments there to ("Declaration"), Article 6, Section 6.1 and of the Bylaws of Coral Point DBA The Falls Association, and Arizona law. The Board of Directors (the "Board") of the Coral Point DBA The Falls Association (the "Association") has the right to adopt rules and regulations governing the Association's enforcement of its governing documents, which may include a schedule of fines for violations of its governing documents.

WHEREAS, Article VI, Section 6.1 Residential Use: All lots shall be used, improved and devoted exclusively to Single Family Residential Use. No gainful occupation, profession, trade or other nonresidential use shall be conducted on any lot. Nothing herein shall be deemed To prevent the leasing of a Lot to a Single-Family home from time to time by the Owner thereof, subject to all of the provisions of the Project Documents. Any Owner who leases his Lot shall promptly notify the Association and shall advise the Association of the term of the lease and the name of each lessee.

Section 6.15 Restriction on Further Subdivision and Time Shares. No owner shall transfer, sell, assign or convey any time share in his lot and any such transaction shall be void. "Time Share: as used in this section 6.15 shall mean the right to occupy a Lot or any one of several lots during five (5) or more separated time periods of less than thirty (30) days per period over a period of at least five (5) years.

WHEREAS, A.R.S. §33-1803(B) provides, in part, that the Association may ".....after notice and opportunity to be heard, impose reasonable monetary penalties on unit owners for violations of declaration, bylaws and rules of the association."

WHEREAS, A.R.S. § 33-1806.01(C) provides, in part, that the Association, with respect to unit used as rentals, may obtain the name and contact information of all adults occupying a rental unit, the time period of the lease, including the beginning and ending dates of the tenancy, and a description of and the license plate number for all tenant vehicles.

WHEREAS, the Association wishes to further adopt policies relating to and define prohibited short-term rentals pursuant to the Governing Documents;

WHEREAS, the Board of Directors expressly reserves the Right to adopt supplemental fine policies to address specific violations in the community in its Fine Policy and Fine Appeal Process Resolution; and

WHEREAS, the Board finds the monetary penalties imposed under the standard fine schedules is insufficient to create an economic disincentive for owners to cease engaging in short-term rentals in violation of the Declaration;

BE IT THEREFORE RESOLVED, effective the date of the Resolution, the Board hereby adopts the following Leasing of Residential Units and Supplemental Fine Policy – Short Term Rentals.

DATED this 23rd day of September, 2020

CORAL POINT DBA THE FALLS ASSOCIATION

By: David E. Bolson
President

RESOLUTION OF THE BOARD OF DIRECTORS

CORAL POINT DBA THE FALLS HOMEOWNERS ASSOCIATION LEASING OF RESIDENTIAL UNITS AND SUPPLEMENTAL FINE POLICY- SHORT TERM RENTALS

Effective October 23, 2020

This Leasing of Residential Units and Supplemental Fine Policy- Short Term Rentals is hereby incorporated into and made a part of the Fine Policy and Fine Appeal Process Resolution adopted by the Board on September 23, 2020.

LEASING OF RESIDENTIAL UNITS: An Owner who leases his/her Residential Unit must comply with the following:

1. All leases must be in writing.
2. Residential Units may not be leased or used for transient or hotel purposes.
3. No owner may lease less than his or her entire Residential Unit.
4. The lease term may not be less than 30 days.
5. Lease terms that are less than 30 days in duration may be determined by a review of pertinent vacation rental or similar websites or other advertising, neighbor reports, verification by management, or any other reasonable means.
6. Any posting on a vacation rental or similar website that permits tenants or guests to lease Residential Units for less than 30 days or any advertisement of a Residential Unit for lease for terms of less than 30 days may be deemed a violation of Article VI, Section 6.15 of the Declaration.
7. Upon the leasing of any Residential Unit, but in any event not less than ten (10) days before the commencement of any lease term, the Owner shall provide the Association with the following information:
 - a. The lease term, including the beginning and ending dates, and any renewals or extensions thereof.
 - b. The first and last names of all adults occupying the Residential Unit during the lease term.
 - c. Contact information, including valid telephone numbers and email addresses, for all adults occupying the Residential Unit during the lease term.
8. The Owner may also provide the Association with the name, address, phone number of a person whom the Association can contact in case of an emergency.
9. The Owner must provide the lessee with copies of the Declaration, Bylaws and all Association Rules, including this Resolution. Further, the lease agreement must specifically state that the lease is subject in all respects to the provisions of the Declaration, Bylaws and Rules, and the failure by any tenant to comply with the terms of said operative documents shall constitute a default under the lease. The Owner is liable for any violation of Declaration by the lessees or other persons residing in the Residential Unit. Upon demand, the Owner must correct any such violations.

10. The Association may assess Owners a \$25.00 fee in conjunction with collecting and processing the tenant information set forth in Section 4 above. The Association may also assess Owners a \$15.00 fee for providing late or incomplete tenant information or for failing to provide tenant information altogether. These fees may be assessed for each new tenancy, but not for renewals or extensions of existing leases.

APPLICABLE FINES AND MONTEARY PENALTIES: If an Owner is in violation of Article VI, Section 6.15 of the Declaration as further described above, the Board, after notice and opportunity to be heard, will impose one of the following fines:

- A fine of \$350.00 per day will be applicable to all violations Article VI, Section 6.15 to be assessed during the time the violation starts and until it clearly ends.
- Owners are also subject to the statutory fines referenced above for violations of A.R.S. § 33-1806.01.

The fines set forth in this Resolution have been determined by the Board as damages sustained by the Association and as necessary to compensate the Association for the administrative burden of addressing the violation and the adverse impact of the violation on the community, as well as warranted to minimize further damage to the Association from continued noncompliance.

The Board reserves the right to deviate from the fine amounts set forth herein if, after a hearing in the matter, the Board finds good cause to decrease 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 Declaration at the same time or in lieu of levying the fines set forth in this Resolution.

To the extent such provisions do not conflict with the language herein, the following provisions of the Violation Enforcement Policy and Fine Schedule adopted by the Board on September 23rd, 2020 are hereby incorporated into and made a part of this Leasing of Residential Units and Supplemental Fine Policy-Short Term Rentals; Fines, Injunctive Relief, Board Discretion, and Violation Appeal Process.

**CERTIFICATE OF PROMULGATION OF
LEASING OF RESIDENTIAL UNITS AND SUPPLEMENTAL FINE POLICY-
SHORT TERM RENTALS**

I, Rick Abbott, the Manager for the
Coral Point DBA The Falls Homeowners Association, hereby certify that I sent by mail to all
of the Owners of record as of the 23rd day of September 2020, the Leasing of Residential
Units and Supplemental Fine Policy- Short Term Rentals adopted by the Board on the 23rd
day of September 2020.

DATED this 28th day of Sept, 2020.

By:

Rick Abbott
Printed Name: Rick Abbott