

MIRAGE HEIGHTS CONDOMINIUMS

HOMEOWNERS ASSOCIATION, INC.



WELCOME HANDBOOK

UPDATED
MARCH 2020

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(Modified March 2020)

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Welcome

Welcome to Mirage Heights Condominiums and its Home Owner's Association (HOA)!

The purpose of this handbook is to provide you with information about your HOA. This handbook should be read in conjunction with all of your condominium documents – in particular, the condominium declaration (CC&R's), the bylaws, and the HOA rules and regulations. Information contained here is current as of the modification date unless noted otherwise.

Please note that the Board of Directors may add, delete, or change some policies and rules from time to time.

It is extremely important that you read this handbook and keep it for handy reference. If you rent out your property, you must ensure that your tenants are familiar with the HOA's rules and regulations.

Purchasing a home in a community association offers many advantages to the owner, but at the same time imposes some restrictions. Restrictions are not meant as an inconvenience or invasion of freedom, but rather as a means of promoting and maintaining harmony in our community.

Our community property is a great asset. All land is owned by our Association and maintained with dues paid to our Association. The preservation, upkeep, and enjoyment of our community property depend on the cooperation of each owner, their family members, their tenants, and guests. Our investment can be enhanced and maintenance costs kept reasonable if certain rules are followed.

Your HOA will only be as strong as individual unit owners want it to be. Your involvement is needed to ensure the community's success. Please feel free to contact the Property Manager if you have a question or concern.

Get to know your neighbors. We all have a stake in our HOA's future. It's up to all of us to make it work to our advantage. Get involved with your HOA.

History of Mirage Heights

Mirage Heights Condominiums is a development of Mirage Homes, a business that was formerly located in Fountain Hills, Arizona.

Construction started in 1995 in two phases. Both Phase I and Phase II sold out fast. Sixteen units make up eight twin homes, and thirty-six units make up nine four-plexes.

The fifty-two units are situated on about eighteen acres of prime desert land covered with native plants and vegetation and inhabited by various wild animals. Our community enjoys extremely low building density compared to similar developments.

The Association's current annual operating budget as of 2019 - 2020 is approximately \$155,000.00. Our community's beautiful Sonoran desert surroundings and mountain views, however, are priceless and irreplaceable.

What You Bought

The Community Associations Institute (CAI) estimates about 62 million people in the United States live in 315,000 communities such as condominiums governed by associations.

“Condominiums” are NOT a style of building, but rather a unique form of real estate ownership. Condominiums contain common property also known as “common elements” – roofs, pools, land, etc. – that all unit owners collectively own.

In contrast, “condominium ownership” under Arizona law is different than “planned community ownership.” Unit owners in a planned community do NOT own the common elements.

By purchasing a home at Mirage Heights Condominiums, you own an undivided interest in all of the common elements of the Association in addition to your individual unit.

You are urged to become familiar with the various terms¹ found in your condominium documents to better understand your rights and obligations relating to your unit, the common elements, and the limited common elements.²

¹ CC&R's Article 1

² CC&R's Articles 3 - 5

Operation of the Condominium

Mirage Heights Condominiums Homeowners Association, Inc. is an Arizona non-profit corporation incorporated in 1995.³

A Board of Directors (BOD) governs the Association's business affairs.⁴ Owners elect directors at the annual meeting. Directors then elect officers.

The BOD's responsibilities include, among others, caring for and keeping up the property; preparing an annual budget; collecting monthly assessments; employing personnel and a manager; making repairs; insuring the property against loss; investing funds; and adopting rules and regulations.⁵

The BOD's powers and duties come from Arizona law and the Condominium documents that can be found on the Association's website www.mirageheights.com.

In general, the function of the BOD is to set policy. The BOD always acts in a manner that is intended to protect, maintain, and enhance the value of the Association's property. The BOD may delegate some authority to its committees (e.g., maintenance, landscape and architecture) and to a Property Manager whose job is to carry out the Board's policy.

³ CC&R's Article 6; Bylaws Article I, Section 1

⁴ CC&R's Article 6.1; Bylaws Article IV, Section 2

⁵ Bylaws Article IV, Section 3

The Property Manager

The Board of Directors has authorized a property management company to perform certain duties for the Association.⁶

Those duties include collecting assessments, filing tax returns, keeping the books and records, reporting violations, preparing mailings, making on-site inspections, and assisting in changes of ownership. Our Association's Property Manager can be contacted at:

Trestle Management Group, LLC

Attn: Lee Ann Morlan

450 N. Dobson Road, Suite #201

Mesa, AZ 85201

Phone: 480-422-0888

Email: lmorlan@trestlemanagement.com

⁶ Bylaws Article IV, Section 3(e)

Meetings

Past practice is to hold the annual meeting in the evening on a March date to accommodate owners who work or are from out of town. Annual meetings are held at the Fountain Hills Community Center.

Regular BOD meetings are open to all owners and are held to conduct “day-to- day” business, Regular meetings are normally held outside at the Association’s pool area, weather permitting.

Executive session and emergency BOD meetings may be held for purposes allowed by state statute. Executive session Board meetings are closed to unit owners.

Arizona law also provides for “special” meetings. These meetings are rare and held for limited purposes, for example, to amend the CC&R’s or to authorize a special assessment.

Notices of Association meetings are e-mailed to owners and scheduled on the Mirage Heights website (www.mirageheights.com) in advance to enable maximum attendance and participation. Unit owners are invited to speak and ask questions during a meeting’s open forum.

Monthly and Special Assessments⁷

All unit owners pay the same monthly common expense assessment.⁸

The monthly assessment is determined each fall to fund the annual January – December budget.⁹

Monthly assessment payments are due on the first day of the month.¹⁰

Monthly assessment payments become delinquent if not received by the fifteenth (15th) of the month. The unit owner's responsibility is to insure that the property management company receives payment of the monthly assessment **no later than the 15th of the month** to avoid being charged a late fee.

In addition, owners may from time-to-time vote to approve expenditures that result in a special assessment (e.g., common elements' repairs or replacements).¹¹

⁷ CC&R's Article 7; Bylaws Articles IV and VI

⁸ CC&R's Article 7.1

⁹ Bylaws Articles IV, Section 3(b) and VI, Section 3

¹⁰ CC&R's Article 7.1(C)

¹¹ CC&R's Article 7.2

Benefits of Association Membership

Community features paid for by your monthly common expense assessment include:

- Private heated pool with covered ramada
- Heated spa
- Pool and spa cleaning
- Spacious common areas
- Professional desert landscaping
- Landscape maintenance, repair, and improvement
- Building/fire liability insurance
- Cable TV service
- Exterior building maintenance, repair, and improvement
- Professional management
- All common area maintenance
- Exterior pest control
- Reserve account for future needs

Maintenance and Repairs

The Association is responsible for maintaining, repairing, and improving the common elements. The cost is a common expense paid for by the Association.¹²

Unit owners are responsible for maintaining, repairing, replacing, and restoring at their own expense all portions of their unit and the limited common elements allocated exclusively to their unit.¹³

If the unit owner fails to perform their responsibilities the Association may perform the repair or maintenance and levy a special assessment against the owner.¹⁴

The Association has the right to inspect any unit for maintenance, repair, and replacement purposes. Notice will be given first. This includes verifying that unit owners, family members, tenants, and guests are performing their responsibilities and complying with the provisions of the Condominium Documents.¹⁵

In addition, unit owners shall be liable to the Association for any willful or negligent damage to the common elements including damage caused by their family members, tenants and guests.¹⁶

¹² CC&R's Article 5

¹³ CC&R's Article 5.1(A) and (B) as amended

¹⁴ CC&R's Article 5.1(C); Bylaws Article IV, Section 3(f)

¹⁵ CC&R's Articles 3.8 and 10.13

¹⁶ CC&R's Article 5.2

Termites

Because of the nature of termite treatment and infestation and to insure that qualified professionals do the treatment, the Board of Directors will pay the cost of termite treatment of the common elements.

Unit owners are responsible to take measures for ensuring that termites are not present in the units and repairing any interior termite damage.¹⁷

¹⁷ CC&R's Article 4.9

Renting Your Unit

Some unit owners rent out their units on either a year-round or seasonal basis. Unit owners need to understand the Association's valid concerns about rentals.

Short-term rentals, e.g., daily or weekly, that are equivalent to hotel lodging stays can diminish the enjoyment and value of our property. Lenders may refuse to finance units if there are too many renters, and persons without a vested interest are more likely than owners and long-term renters to violate the Association's governing documents, rules and regulations. Rental periods that are less than one full month or 28 consecutive days are discouraged for those reasons. And no tenant may sub-lease a unit.

Unit owners who rent their units are responsible for ensuring compliance by their tenants with the condominium rules, documents and the law.¹⁸

Unit owners shall reimburse the Association for any expenses because of such noncompliance including, but not limited to:

- All penalties, costs, and prosecutions for noncompliance with the condominium rules, documents and the law, and
- All liability claims and judgments or a demand for damages arising from accidents to persons or property caused by the tenant's use of the Association's property and facilities.

All rentals must comply with and conform to all applicable laws and regulations of the United States, the State of Arizona, the County of Maricopa, and all ordinances, rules, and regulations of the Town of Fountain Hills including registration and tax requirements.

All rentals are subject to the Association's governing documents, rules and regulations.

¹⁸ CC&R's Articles 4.11, 5.2 & 10.13

Within seven calendar days after the rental begins, the Association's Property Manager must receive a rental administration fee of \$25.00 and the following information from the unit owner-landlord:

- (1) A completed tenant information sheet that lists the unit number,
- (2) The name and contact number for any adults occupying the unit,
- (3) The time period of the rental/lease including the beginning and end dates of the tenancy, and
- (4) A description of the license plate number(s) on their vehicle(s).

Whenever the word "rent" appears in this section, it includes "lease."

Fountain Hills Residential Rental Property Requirements

(As of December 2019)

Failure to register residential rental property is a violation of Fountain Hills Town Code Section 7-11-1 and may result in civil penalties. There is a three- step process to lawfully rent your unit:

- (1) Obtain a Transaction Privilege Tax license from the State of Arizona,
- (2) Register your unit as a “residential rental property” with the Maricopa County Assessor’s Office, and
- (3) Register your property with the Town of Fountain Hills by filling out the online form <https://www.fh.az.gov/rentals>.

See these websites for important information about renting out your unit:

www.fh.az.gov/faq www.fh.az.gov/657/Real-Property-Rentals

www.fh.az.gov/DocumentCenter/View/3918/Three-Things-to-Do-to-Become-Compliant-PDF

www.fh.az.gov/172/Tax-Information

Current taxes applicable to rental units in Fountain Hills are:

- **For short-term lodging (defined as a daily or weekly rental period of less than 30 days):**
 - o Fountain Hills sales tax of **2.9%** +Fountain Hills Transient Tax of **4.0%** + Maricopa County Tax of **7.27%** = **14.17%**.
- **For long-term residential rentals (defined as 30 or more days):**
 - o Fountain Hills long term rental tax of **1.6%** only.

Selling Your Unit

Arizona law requires the Association and selling unit owner to provide certain information¹⁹¹⁹ to the condominium buyer including copies of:

1. Bylaws and Rules.
2. Condominium declaration (CC&R's).
3. A dated Resale Disclosure statement containing:
 - a. Telephone and address of the Association's principal contact.
 - b. Amounts of common regular assessments, special assessments, and unpaid assessments, if any, owed by the seller.
 - c. A statement whether Association insurance covers part of the unit.
 - d. Total amount of money held in reserves.
 - e. If the Association is furnishing the information, a statement about known alterations or improvements to the unit that violate the CC&R's occurring within six years prior to the sale.
 - f. A statement from the selling unit owner about known alterations or improvements to the unit that violate the CC&R's.
 - g. A statement of case names and case numbers of any pending litigation between the Association and seller.
 - h. Acknowledgement by the buyer recognizing their contractual obligations including to pay assessments or risk foreclosure. This acknowledgement must be signed by the buyer and returned to the Association within 14 days.
4. Current operating budget.
5. Most recent annual financial report.
6. Most recent reserve study, if any.

¹⁹ Arizona Revised Statutes §33-1260

7. Pending lawsuits against the Association including the amount of money claimed.

This information must be mailed or delivered to the buyer or buyer's agent within ten days after receipt of a written notice of a pending sale that includes the buyer's name and address.

Contact our Property Manager for assistance.

The Association will charge the unit owner a fee at the close of escrow for costs incurred in the preparation of this information. The fee schedule is as follows:

- \$400 – for preparing and delivering a statement or other documents for purpose of resale disclosure, lien estoppel, and any other services related to the transfer or use of the property.

PLUS

- \$100 – for rush services performed within 72 hours after the request for rush services.

PLUS

- \$50 – for a statement or other document update fee if more than 30 days have passed since the date of the original disclosure statement or the date the documents were delivered.

Neighborhood Watch

Unit owners, family members, tenants, and guests are encouraged to participate in a neighborhood watch.

If you observe any suspicious or illegal activity, call the Maricopa County Sheriff Office (MCSO) immediately.

The Fountain Hills MCSO numbers are:

480-837-2047 (office)

or

911

Give your report in calm, slow, precise language.

If you observe or hear activity in the pool after hours, notify the Sheriff.

DO NOT CONFRONT THE PERSONS INVOLVED.

Our Property Manager should be informed of any accidents as soon as possible for record keeping purposes.

Ideas and Suggestions

The Board of Directors want to hear your ideas and suggestions for protecting, maintaining, and enhancing the value of our property and making Mirage Heights HOA a better place to live.

Please put your ideas and suggestions in writing to our Property Manager.