



**OLD STONE RANCH HOMEOWNERS ASSOCIATION
COVENANT ENFORCEMENT POLICY**

WHEREAS, the Declaration of Covenants, Conditions and Restrictions for Old Stone Ranch Homeowners Association (the "Association"), an Arizona nonprofit corporation, recorded with Maricopa County Recorder's Office on June 14, 2005, at Recording Number 2005-0799585 and thereafter as amended (the "CC&Rs") at Article II, Section 2.1 subjects Owners to all provisions, restrictions, covenants, conditions, rules, and regulations imposed by the CC&Rs.

WHEREAS, the CC&Rs at Article XII, Section 12.1 authorize the Association to enforce the Covenants and Restrictions.

WHEREAS, the CC&Rs at Article III, Section 3.3 give the Association the power to adopt and enforce reasonable Rules and Regulations.

WHEREAS, the CC&Rs at Article III, Section 3.11 authorize the Association impose reasonable monetary penalties on Owners for violations of the Declaration, the Bylaws, the Articles, or the Rules of the Association.

WHEREAS, A.R.S § 33-1803 and/or § 33-1242 further clarify the Association's authority to impose reasonable monetary penalties for violations of the Declaration, Bylaws, and Rules of the Association.

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Directors for Old Stone Ranch Homeowners Association adopts the following Covenant Enforcement Policy for the enforcement of violations of the CC&Rs, Association Rules, and Architectural Guidelines:

ENFORCEMENT POLICY

All definitions set forth in the Association's CC&Rs are hereby incorporated herein, as if fully expressed, and have full application hereto.

NOTICE REQUIREMENTS

An Owner in violation of any restriction contained in the CC&Rs or any other provision of the governing documents, including, but not limited to, the Articles of Incorporation, Bylaws, Rules & Regulations, Architectural Guidelines, or policies (referred to as the "Community Documents") will be notified in writing. Such written notices shall contain at least the following information:

- a) The provision, restriction, rule, or regulation that has allegedly been violated
- b) The date of the violation or date the violation was observed
- c) The process the member must follow to contest the violation

Notices will be sent to the mailing address on record with the Association. If a property is identified as being a rental or having an offsite Owner, a copy of the violation notice may be sent to the property address. It is each Owner's responsibility to ensure the Association has current contact information on file, including an up-to-date mailing address.

OPPORTUNITY FOR A HEARING / RIGHT TO APPEAL

Recognizing an Owner's right to explain, discuss, and dispute a violation of the CC&Rs and other Community Documents, Owners are afforded the opportunity to appeal a violation and/or request a hearing with the Board of Directors at any point in the enforcement process. All enforcement notices, beginning with the Warning

Notice (First Notice) shall remind Owners of this opportunity. The Owner must provide a timely written request for a hearing. Once an appeal is reviewed and/or a hearing is conducted, the Owner shall be bound by the decision of the Board. No further appeals and/or hearings will be granted on the matter.

Appeals and hearing requests must include all pertinent information supporting the existence of any extenuating circumstances or why a deviation from the Community Documents is warranted.

Appeals and hearings are reviewed and held in Executive Session, unless requested by the Owner.

VIOLATION / FINE SCHEDULE FOR VIOLATIONS

WARNING NOTICE (FIRST NOTICE)

A violation letter outlining the violation will be issued, informing the Owner that a monetary penalty will be imposed if the violation is not brought into compliance or reoccurs again after fourteen (14) calendar days from the date of this first notice.

This notice shall state that the Owner may petition the Department of Real Estate pursuant to A.R.S. § 32-2199.01.

This Warning Notice satisfies the requirement for the Association to provide notice and an opportunity to be heard to the violating Owner before a monetary penalty is imposed, in accordance with A.R.S. § 33-1803 and the Association's Bylaws.

INITIAL MONETARY PENALTY (SECOND NOTICE)

If the violation is ongoing, reoccurs, or has not been cured after not less than fourteen (14) calendar days from the issuance of the Warning Notice, the Association will issue a second notice. The second notice will inform the Owner that an initial monetary penalty has been assessed to their account in accordance with the Monetary Penalty Schedule, and that an additional monetary penalty will be imposed if the violation is not brought into compliance or reoccurs again after fourteen (14) calendar days from the date of this second notice.

The Owner will also be responsible for any certified letter processing fees or other hard costs incurred to the Association in processing the violation or sending the notice.

SECOND MONETARY PENALTY (THIRD NOTICE)

If the violation is ongoing, reoccurs, or has not been cured after not less than fourteen (14) calendar days from the issuance of the Initial Monetary Penalty, the Association will issue a third notice. The third notice will inform the Owner that an additional monetary penalty has been assessed to their account in accordance with the Monetary Penalty Schedule, and that an additional monetary penalty will be imposed if the violation is not brought into compliance or reoccurs again after fourteen (14) calendar days from the date of this third notice.

The Owner will also be responsible for any certified letter processing fees or other hard costs incurred to the Association in processing the violation or sending the notice.

ADDITIONAL MONETARY PENALTIES (FOURTH AND SUBSEQUENT NOTICES)

If the violation is ongoing, reoccurs, or has not been cured after not less than fourteen (14) calendar days from the issuance of the prior notice, the Association will issue another notice. This notice will inform the Owner that an additional monetary penalty has been assessed to their account in accordance with the Monetary Penalty Schedule, and that additional monetary penalties will be imposed no less than every fourteen (14) calendar days until the violation is brought into compliance.

MONETARY PENALTY SCHEDULE

Violation	Initial Monetary Penalty	Second Monetary Penalty	Additional Monetary Penalties
Unauthorized Architectural Modifications	\$500.00	\$500.00	\$500.00
All Other Violations	\$50.00	\$200.00	\$500.00

RIGHT OF SELF-HELP

Pursuant to the CC&Rs at Article XII, Section 12.1, the Association has the right, but not the obligation, to enter upon the Owner's Lot to repair, maintain, and restore the Lot, and correct any violations at the expense of the Owner of the Lot. Such entry upon a Lot by the Association and any of its agents or employees, after reasonable notice, is not an actionable trespass. Self-Help action may be taken at any point in the enforcement process, at the discretion of the Association.

The cost of such Self-Help action to cure the violation(s) on the Lot shall be assessed to the Owner's account and immediately become due and payable in full. Further, Self-Help costs are secured by the Association's Assessment Lien, pursuant to Section 12.1 of the CC&Rs.

LEGAL ACTION

The Association reserves the right to refer any enforcement matter to the Association's attorney, at any point in the enforcement process, for legal enforcement action, up to and including a lawsuit seeking injunctive relief.

Pursuant to Section 12.1 of the CC&Rs, the Association shall be entitled to its attorneys' fees and costs incurred to compel compliance, regardless of whether a lawsuit is filed.

RIGHT TO SUSPEND USE OF COMMON AREAS OR VOTING RIGHTS

The Association has the right to suspend an Owner's right to use Common Areas or right to vote if a violation exists on the Owner's Lot for a period of at least fifteen (15) days.

The Association shall send a written notice, informing the Owner of the suspension of the Owner's right to use the Common Areas and shall indicate the termination date of the suspension in the notice. Such date is subject to extension so long as the violation(s) remains uncured.

RECORDING A NOTICE OF VIOLATION

The Association has the right to record a written Notice of a Violation by an Owner (or Resident or tenant) with the Maricopa County Recorder's office. The purpose of such recorded Notice of Violation is to put others on notice that a violation exists on the Lot, including potential purchasers.

The Notice shall state (i) the name of the Owner responsible for the violation of the Governing Documents; (ii) the legal description of the Lot; (iii) a brief description of the nature of the outstanding violation; (iv) a statement of the steps that must be taken to cure the violation.

Should a violation remain inactive for a period of 180 days, authorized extensions excluded, the violation will be closed, and a new violation opened with the sending of a Warning Notice (First Notice).

The Board of Directors reserves the right to modify or accelerate the violation process, at the Board's discretion, on a case-by-case basis.

NON-WAIVER

The failure of the Association to enforce provisions of its Community Documents in one instance does not constitute a waiver of the right to enforce the Community Documents in the future.

CERTIFICATION

IN WITNESS WHEREOF, I, Harlan Stork, hereby attest that this
Covenant Enforcement Policy was adopted by unanimous written consent of the Board of Directors on the
27th day of July, 2022.

DocuSigned by:

Harlan Stork

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Signature

OSR HOA President

Title