

Amended Violation Enforcement and Fine Policy For Old Stone Ranch Homeowners Association

EFFECTIVE - APRIL 18, 2022

The Board of Directors of Old Stone Ranch Homeowners Association (“Association”), by a majority vote of the Directors present at a duly called and noticed meeting of the Board of Directors, hereby resolves and implements the following Amended Enforcement and Fine Policy pertaining to violations of the Association’s community documents.

ENFORCEMENT POLICY

All definitions set forth in the Association’s Declaration of Covenants, Conditions and Restrictions for Old Stone Ranch Homeowners Association, recorded at Document No. 2005-0799585, records of Maricopa County, Arizona (“Declaration”), are hereby incorporated herein as if fully expressed and have full application hereto.

Written Notice of Violation of Restrictions

An Owner in violation of any restriction contained in the Declaration or any other provision of the governing documents, including but not limited to the Articles of Incorporation, Bylaws, CC&R’s, Rules and Regulations, Architectural Guidelines or policies (generally referred to as “Community Documents”) will be notified in writing, either by the Association’s Board of Directors, its managing agent, or attorney of a violation of the Restrictions, said notice containing at least the following information:

- a.) The provision, restriction, rule, or regulation that has allegedly been violated;
- b.) The date of the violation or the date of the violation was observed;
- c.) The first and last name of the person or people who observed the violation;
- d.) The process the member must follow to contest the violation;

The Notices will be sent to the mailing address on record with the Association. In the event that the Owner of the property is identified as an absentee Owner, a copy of the violation letter may also be sent to the property address.

It is each Owner’s responsibility to ensure that the Association has the most current and up-to-date mailing information for contacting the Owner.

Reporting Violations to the Association

- (1) Owners or residents within the community may report alleged violations only if they personally observed the alleged violation.
- (2) Alleged violations are to be reported in writing to the Association’s Community Manager, or if no Manager, then to the Board of Directors.
- (3) The complaint must be detailed and provide the nature of the violation, the time, date, and place of the violation and any witnesses to the violation.

- (4) The Board or its authorized agent(s) should review the written complaint and supporting documents, if any.
- (5) If the Board or its authorized agent(s) determines that the complaint is valid, and sets forth a valid violation of provisions of the Governing Documents, then the Board shall send a written notice to the violating Owner.
- (6) A Complaining Owner must understand and be aware that his or her first and last name may be provided to the Violating Owner consistent with Arizona law.
- (7) Notwithstanding reports from Owners, the Association may also periodically conduct its own inspections and send written notices of violations to Owners based on the findings of these inspections.

GENERAL FINE SCHEDULE FOR VIOLATIONS

The Board hereby adopts the following fine schedule and procedure consistent with A.R.S. § 33-1803 and Section 3.11 of the Declaration as its general fine schedule for violations. The Board may amend this Policy from time to time to change the amounts of fines imposed for violations of the Governing Documents.

First Notice of Violation: A violation letter (First Notice) will be sent to the Owner of the property outlining the violation containing the information noted above.

The Owner will be given twenty-one (21) days to bring the violation into compliance. The Owner may contact the Association's management company if additional time is needed to cure the violation or if extenuating circumstances exist.

The First Notice shall include a warning that if the violation is not cured within twenty-one days, a fine of \$50.00 ("Initial Monetary Penalty") shall be assessed to the Owner's account. This Policy and courtesy letter satisfy the requirement for the Association to provide notice and an opportunity to be heard to the violating Owner before a monetary penalty is imposed per A.R.S. § 33-1803 and the Bylaws.

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

Second Notice of Violation and Assessment of Initial Monetary Penalty: If the violation is ongoing, has returned, or has not been cured within the initial twenty-one day period, the Association will issue a second written Notice to the Owner. The second Notice will inform the Owner that the Initial Monetary Penalty, in the amount of \$50.00, has been imposed against the Owner.

This letter shall also inform the Owner that if the violation is not cured within an additional twenty-one (21) days from the date of the Second Notice, that a fine of \$200.00 ("Additional Monetary Penalty") will be assessed. 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.

Third Notice of Violation and Assessment of Additional Monetary Penalty: If the violation is ongoing, has returned, or has not been cured within the additional twenty-one (21) day period, the Association will issue a third and final written Notice to the Owner.

The Association will assess the Additional Monetary Penalty, in the amount of \$200.00, if the Owner has not corrected or removed the violation, or if the violation has returned or has been repeated. 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.

This letter shall also provide that if the violation is not cured within an additional twenty-one (21) days, that subsequent fines in the amount of \$500.00 (“Continuing Monetary Penalty”) will be assessed to the Owner’s account upon each subsequent inspection where it is found that the violation is still not cured. The Association will conduct inspections of Lots on a weekly basis.

Continuing Monetary Penalties: If the violation is ongoing, has returned, or has not been cured within the final 21-day cure period, the Association may assess subsequent fines in the amount of \$500.00 (“Continuing Monetary Penalty”), upon each subsequent inspection where the violation remains. The Association will conduct inspections of Lots on a weekly basis. The Board may alter the inspection schedule from time to time.

The Owner shall be sent a written Notice of Continuing Monetary Penalty as fines are imposed, advising that the Continuing Monetary Penalty has been assessed to the Owner’s account. Inspections will be conducted to coincide with the terms of the notices. 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.

Should a period of time of at least 180 days lapse between violation letters of the same offense, the violation process will reset, and the next letter will be a First Notice.

Additional Legal Remedies and Continuing Violations. The Board, in its discretion, may refer an account to the Association’s attorney’s office for further enforcement action if an Owner fails to cure a violation after receiving the Third Notice from the Association.

Further, the Association has the right, without proceeding through each of the steps outlined above, to exercise its legal remedies against an Owner who is in violation of provisions in the Governing Documents, including referring the account immediately to the attorneys’ office, or to exercise self-help, if applicable.

The Board may also forgo additional Notices for any violations that are time-sensitive or that threaten the health and safety of other Owners and residents and reserves the right to immediately send an account to the Association’s attorney’s office, in its

discretion. Nothing in this Resolution prohibits the Association from seeking immediate redress, filing an action for any reason authorized by law, while also seeking injunctive relief for violations that are continuing or that affect the health, safety, or welfare of the Community.

Subject to the Governing Documents, the Association shall be entitled to its attorneys' fees and costs incurred to compel compliance, regardless of whether a lawsuit is filed. (Declaration, Section 12.1).

SPECIFIC INFRACTIONS FINE SCHEDULE

Architectural Violation Fines

Notwithstanding the foregoing General Violation Fine Schedule, the Association may assess fines of \$500 per inspection where the violation remains uncured after the First Notice for Architectural Violations, including failure to submit for or obtain prior written approval before making any alterations or modifications to a Lot; failing to comply with the submitted and approved plans and specifications; or failure to maintain the Lot. The \$500 fine assessed pursuant to this Section may be charged per inspection on a weekly basis as long as the violation remains uncured.

ASSOCIATION'S ENFORCEMENT REMEDIES

In addition to assessment of fines for violations of the governing documents or legal action, the Association is also entitled to take any of the following remedies, as applicable, and consistent with the Declaration.

Right of Self-Help

The Association has the right (but not the obligation) to enter an Owner's property to cure the violation. The Association may provide a final ten (10) day demand to cure the violation(s) on the Lot. If the Owner fails to cure the violation(s), the Association (or its agents) may enter the Lot and cure the violation(s) or otherwise properly maintain the Lot as necessary.

Entry by the Association and any of the Association's agents under this authority is not an actionable trespass. Owners (or Owners' family, guests, or tenants) shall not interfere with the Association or its vendors carrying out this remedy of self-help.

The costs of such maintenance, repairs, or other work incurred by the Association to cure the violation(s) on the Lot may be assessed to the violating Owner's account and is immediately due and owing upon demand for payment. Further, the self-help costs are secured by the Association's Assessment Lien per Section 12.1 of the Declaration.

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 an Owner's right to vote if a violation exists on the Owner's Lot for a period of fifteen (15) days.

The Association shall send a written notice to 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 as 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.

OWNER'S RIGHT TO APPEAL

An Owner who has received a written Notice of a violation as set forth above may appeal the violation as follows and subject to the following conditions:

- a.) Owner may submit a request for an appeal in writing to the Association in care of the address provided in the initial Notice. The request must be mailed via certified mail.
- b.) The appeal shall be received (by certified mail) within twenty-one (21) days of the date of the initial notification. In the event a timely request for a hearing is received, any fine(s) will be held in abeyance pending the hearing; however, lack of success at the hearing may result in all interim fines becoming due and payable.
- c.) The appeal must include all pertinent information supporting the existence of any extenuating circumstances or why a deviation from the rules and restrictions is warranted.
- d.) The appeal shall be heard in Executive Session, unless otherwise requested by the Owner at issue.
- e.) The Owner presenting the appeal will be asked to state their case and present any applicable documentation. The Directors will have the opportunity to ask the

Owner questions regarding the appeal; however, lengthy discussions are not part of the appeal process.

- f.) Upon completion of the Owner's presentation of his or her appeal, the Board President will state that the appeal has been heard and the Board will make its decision in a closed session. The Board shall send a written determination of its decision to the Owner once a decision has been made.
- g.) All decisions of the Board of Directors after a hearing are final and may not be further appealed.

NON-WAIVER

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

CERTIFICATION

I, Harlan Stork, am the President of the Association and affirm that on the 18th day of November, 2021, the Association's Board of Directors met in a duly noticed open meeting and adopted the above Resolution.

By: 

Its: President