

ENFORCEMENT PROCEDURES

The Association enforces its Declaration of Restrictions (CC&Rs), Articles of Incorporation, Bylaws and Rules and Regulations (collectively, "Governing Documents") for the benefit of all property Owners and residents within the Sun Lakes community. Compliance with the Governing Documents helps protect the aesthetics and property values of Sun Lakes. The Association enforces the Governing Documents in a fair, reasonable, and non-discriminatory manner, following the procedures outlined below and utilizing the authority granted to it in the Governing Documents and under Arizona law.

1. **Courtesy Notice.** In most cases, the first notification to an Owner of their violation of the Governing Documents will be by means of a "**Courtesy Notice**" identifying the violation and the date the violation was observed or reported. This letter will be sent by mail to the Owner's address on file with the Association. The Owner must inform the Association of his/her current mailing address, and the Owner is responsible for curing any violation notwithstanding any failure of the Owner to notify the Association of his or her mailing address. This letter should state a compliance completion date, which in most cases will be **ten business (10) days** from the date of the letter. *The Association, in its sole discretion, may bypass the Courtesy Notice and begin with the Notice of Non-Compliance.*

2. **Notice of Non-Compliance.** If compliance is not obtained or a reasonable corrective action plan and schedule is not reached, a "**Notice of Non-Compliance**" letter may be sent by mail to the Owner's current address on file with the Association. The notice(s) may also be sent by certified mail or hand-delivery.

The **1st Notice of Non-Compliance** shall include:

- a. The provision of the Governing Documents that has been violated.
- b. The date of the violation or the date the violation was observed.
- c. The first and last name of the person or persons who observed the violation.
- d. The process the member must follow to contest the notice -- *i.e.* request a Hearing before the Board.
- e. A statement advising the Owner of the Owner's right to petition for an administrative hearing on the matter in the Department of Real Estate pursuant to A.R.S. § 32-2199.01.

The **1st Notice of Non-Compliance** will also notify the Owner that failure to comply with the compliance demand or failure to provide a reasonable corrective action plan and schedule to the Association within **ten business (10) days** (the "**Cure Period**") from the date of the letter may result in the imposition of fines and/or other sanctions.

If the Owner is leasing the property, the Association may provide a copy of the **Notice of Non-Compliance** to the Owner's tenant if known, although the Owner is responsible for the actions of his/her tenants.

3. **Subsequent Violation Notices.** If the Owner does not cure the violation within the Cure Period (or alternate time frame if approved by the Association), or if the violation reoccurs within **three (3) months** of the original violation or the date the original violation was first observed, subsequent violation notices may be sent to the Owner. Subsequent violation notices may inform the Owner of the amount of fines and/or the penalty to be imposed by the Association against the Owner, the due date for payment of any fines, and that, if the violation continues or occurs again within a **three (3) month** period, the Association may impose additional fines and/or penalties.

4. **Hearing Request.**

a. Any Owner who receives a Notice of Non-Compliance has the right to request a Hearing before the Board regarding the matter. The request for the Hearing must be in writing and submitted to the administrative staff at the email or physical address specified in the Notice of Non-Compliance and must be actually received by the administrative staff within **ten business (10) days** after the date of the Notice of Non-Compliance. The Association may extend this deadline when appropriate, as determined by the Board or administrative staff in their sole discretion.

b. If the Owner does not contact the Association to request a Hearing in the time frame prescribed by the notice to the Owner, the Owner will have waived the right to be heard. If the Owner waives the right to be heard, the Association will make a decision on a fine or penalty based on the information before it.

c. The administrative staff will work with the Owner, within reason, to schedule a Hearing date and time reasonably convenient to both the Owner and the Association. If the Owner does not respond to the Association's reasonable attempts to schedule a Hearing, the Owner will have waived the right to be heard.

d. After the Hearing has been scheduled, the administrative staff shall provide the Owner a written notice of the Hearing date, time, and place.

e. The Hearing shall be conducted in a closed/executive session unless the Owner specifically requests, in writing, for the appeal to be heard in an open forum.

5. **Hearing**

a. If, after a Hearing is scheduled, the Owner does not attend the Hearing or provide sufficient notice of inability to attend the Hearing, the Owner will

have waived the right to be heard. In most cases, sufficient notice shall be forty-eight (48) hours.

- b. During the Hearing, the Owner has the right to produce statements, evidence and witnesses on the Owner's behalf and to be represented by an attorney.
 - c. The Owner who is appealing will be asked to state their case and present any applicable documentation and/or statements from persons who witnessed the alleged violation.
 - d. Upon completion of the Hearing, the Association representative will state that the appeal has been heard and the matter will be discussed in closed session.
 - e. If the Hearing is held in an open forum, members will be permitted to attend the Hearing under the following conditions:
 - i. The Board may impose reasonable time restrictions on those persons speaking during the Hearing;
 - ii. If one or more members are disrupting the proceedings, the Board, in its sole and absolute discretion, may require the disrupting members to leave the Hearing; and
 - iii. If proceedings remain disrupted or out of order, the Board may adjourn the Hearing.
 - f. After the Hearing, the Board and/or administrative staff may contact the complainant(s), witness(es) and/or the violator to ask follow-up and clarification questions.
 - g. Written notice of the Board's decision will be delivered to the Owner approximately **ten (10) business days** after the conclusion of the Hearing, unless otherwise determined by the Board.
 - h. All decisions of the Board are final and may not be further appealed.
6. **Fines.** The Association may impose fines against an Owner for any infraction of the Governing Documents.
- a. Before fines are imposed, an Owner will be given notice and an opportunity to be heard, as outlined above.
 - b. The Owner will be given written notice of the amount of any fine imposed against him or her in a subsequent Notice of Non-Compliance and the due date for payment of such fine, which will be **ten business (10) days** from the date the subsequent Notice of Non-Compliance is served.

- c. The amount of the fines imposed by the Association shall be determined based on the nature and severity of the offense and the number and history of violations by the Owner. Unless otherwise determined by the Board, the following fines may be imposed pursuant to the Resolution of Fines, set forth below.

Resolution #2009-002

April 20, 2009

SUN LAKES HOMEOWNERS ASSOCIATION #1, INC.
RESOLUTION #2018-001
FEBRUARY 6, 2018
SCHEDULE OF MONETARY PENALTIES

This Resolution #2018-001 supersedes and replaces Resolution #2009-002, dated April 20, 2009.

Whereas, the Restated Articles of Incorporation of Sun Lakes Homeowners Association #1, Inc. (“Articles”) at Article II(c)3 and the Amended and Restated Declaration of Covenants, Conditions and Restrictions for the Association (“Declaration”) at Article 11 authorize the Sun Lakes Homeowners Association #1, Inc. (“Association”) to enforce the Declaration, Articles, Bylaws, Association Rules, Architectural Rules, any Resolutions of the Association’s Board of Directors (“Board”) and other Association Community Documents;

Whereas, the Declaration at Article 11, Section 11.1.2 authorizes the Association to enforce the Community Documents in any manner provided for in the Community Documents or by law;

Whereas, Ariz. Rev. Stat. §33-1803 further authorizes the Association to impose monetary penalties (fines) for violations of the Association’s Community Documents; and

Whereas, pursuant to its Enforcement Policy, the Board intends to establish a Schedule of Monetary Penalties and intends that violations regarding unsafe, abusive/harassing or malicious conduct shall be treated more severely than other violations.

Therefore, be it resolved that the Schedule of Monetary Penalties shall be as follows:

<u>CATEGORY OF VIOLATION**</u>	<u>MONETARY PENALTY***</u>
Prohibited Conduct (unsafe, abusive/harassing or malicious conduct; such conduct includes, but is not limited to, physical abuse as well as abusive/harassing written or verbal communication)*	1 st Fine: \$200.00 2 nd Fine: \$400.00 3 rd Fine: \$400.00 4 th Fine, etc.: \$400.00
Architectural (unapproved permanent or semi-permanent alteration)*	1 st Fine: \$200.00 2 nd Fine: \$250.00

	3 rd Fine: \$300.00 4 th Fine, etc.: \$350.00
Parking (vehicles parked in violation of Community Documents)*	1 st Fine: \$50.00 2 nd Fine: \$100.00 3 rd Fine: \$100.00 4 th Fine, etc.: \$100.00
Maintenance (failure to properly maintain Lot, including landscaping)*	1 st Fine: \$50.00 2 nd Fine: \$100.00 3 rd Fine: \$100.00 4 th Fine, etc.: \$100.00

<u>CATEGORY OF VIOLATION</u> **	<u>MONETARY PENALTY</u> ***
Use Restrictions & Nuisances (prohibitions regarding rental restrictions, pets, business use, trash/recycling receptacles, non-permanent alterations, noise, inappropriate actions, etc.)*	1 st Fine: \$50.00 2 nd Fine: \$100.00 3 rd Fine: \$100.00 4 th Fine, etc.: \$100.00

*The examples listed in parentheses are not intended to be limiting. In other words, each category of violation may include other violations not listed.

**Some violations may fall into more than one category of violation. The Board shall have the discretion to determine which category best describes the violation at issue.

***Unless otherwise stated in the Notice, the monetary penalty amount to be levied shall be a one-time amount per Notice.

The Board reserves the right to seek other remedies available through the Community Documents or through civil and/or criminal proceedings.

Payment of the monetary penalty does not grant a variance for the violation. All violations must be corrected to come into compliance.

Members may request a Member Citation/Fine Appeal Request form, which outlines the procedures for fine appeals to the Board.

This Schedule of Monetary Penalties may be amended from time to time by the Board.

- d. Once it has been determined that the Owner’s violation is a continuing violation, the Association may impose reasonable continuing fines (such as

daily, weekly, or monthly fines) while the violation continues, and such continuing fines shall accrue until the Owner notifies the Association that the violation has ceased and the Association is able to confirm the same. If any violation recurs within **three (3) months** from the date of a past violation or the date the past violation was observed, it will be considered a continuation of the original violation.

- e. The Association may waive any and all fines, or any portion thereof, upon correction of the violation as determined by the Board or administrative staff.

- 7. **Tendering to Legal Counsel.** The Association has the right to turn any violation matter over to its legal counsel at any time during the violation notification process in the Association's sole discretion. Notwithstanding its right, the Association attempts to avoid this step if possible. If the Association is forced to involve its legal counsel, the Association may charge the attorneys' fees to the offending Owner. If forced to file a lawsuit to gain compliance, the Association will vigorously seek repayment from the offending Owner for all attorneys' fees. The Association shall have all rights and remedies available under the Governing Documents and Arizona law in enforcing compliance including, but not limited to, the right to pursue a personal judgment against the Owner for the collection of fines and the right to bring an action for injunctive relief, or a court order requiring the Owner to correct the violation.
- 8. **Waiver or Variation from Violation and Enforcement Policy.** To the fullest extent permitted by Arizona law and the Governing Documents, the Association retains the right and authority to vary from this Enforcement Policy.