

WATER WORKS CONDOMINIUM ASSOCIATION

RULES, REGULATIONS AND CC&R VIOLATION ENFORCEMENT POLICY

Effective Date: July 1, 2004

The Board of Directors of the Water Works Condominium Association, has established the following enforcement policy for Rules, Regulations, and Covenant, Conditions and Restrictions (CC&R's) violations, and any applicable monetary fines for continuing violations. This policy was formed following the established law of the State of Arizona, Section 1, Title 33, Arizona Revised Statute, Chapter 17, Planned Communities. The goal of this policy is to protect all of the Members of the Association from excessive costs in enforcing the CC&R's as outlined in the ARTICLES of the legal documents, and to safeguard the value of the Members' properties. The Board may choose to modify this policy on specific cases that require special handling.

FIRST NOTICE:

A letter will be sent to the Homeowner of the property outlining the violation. In the event that the Homeowner of the property can be identified as an absentee Homeowner, a copy of the violation letter will also be sent to the tenant at the property address. The Homeowner will be given at least fourteen (14) calendar days to bring the violation into compliance.

SECOND NOTICE:

The second letter will again define the violation and notify the Homeowner that in the event the property is not brought into compliance within at least seven (7) calendar days, a fine may be assessed to their association account. This fine is collectable just as it is for any other assessment amount. See fine schedule attached to this document. The notification letter will offer an opportunity for a Hearing with the Board of Directors.

THIRD NOTICE:

The third letter notifies the Homeowner that a fine has been assessed against them, and that if the violation continues for an additional time period of at least seven (7) calendar days, an additional fine will be assessed. The letter will offer an opportunity for a Hearing with the Board of Directors.

FOURTH NOTICE:

The fourth letter and any subsequent letter notifies the Homeowner that an additional fine has been assessed to their account. Continued violations will result in additional fines (which may include the doubling of the fine each letter to the maximum of \$3,200) Legal action and legal costs may be assessed against the Homeowner at the discretion of the Board of Directors. The letter will offer an opportunity to the homeowner for a Hearing with the Board of Directors.

HEALTH, SAFETY, AND WELFARE: Immediate action will be required on any violation that affects the health, safety, and welfare of the Association or Association Members.

OPPORTUNITY TO BE HEARD: Grievances (Statement of Defenses) arising from, or an appeal of, any enforcement Action and/or Assessment must be addressed in writing to the Board of Directors of the Association, dated and signed by an Owner, and forwarded to the Association with (14) calendar days of receipt of the formal notice of violation. Upon receipt of a request for a hearing, the Board shall set a date and time to hear the Owner's grievance, and the Board will provide notice to the Owner at least (7) calendar days prior to the date of the hearing. Decisions of the Board are final in all cases.

** An exception to the above enforcement policy applies to vehicle violations. See the fine schedule for clarification.*

*** Before any fines are levied against anyone, all violations will be verified. The Board has also provided all Homeowners with the right to appeal any infraction that they may receive.*

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