

PARK SCOTTSDALE II TOWNHOUSE CORP.

RULES AND REGULATIONS CC&R VIOLATION AND ENFORCEMENT POLICY

Park Scottsdale II Townhouse Corp. has established the following Enforcement Policy for Covenants, Conditions and Restrictions (CC&R's) violations enforcement, and any applicable monetary penalties for continuing violations. This Policy will be deemed part of the Association Rules and is subject to amendment or modification at any time by majority vote of the Board. This Enforcement Policy for non-monetary violations is adopted in accordance with Arizona Law and the provisions of the CC&R's and Project Documents, as currently in force and effect. The Board of Directors hereby approve the following policy.

First Notice

A first notice will be sent to the owner of the property outlining the violation. In the event that the owner of the property is identified as an absentee owner, a copy of the notice may also be sent to the tenant at the property address. The owner will be given fourteen (14) calendar days to bring the violation into compliance. The first notice shall include a warning that if the violation is not cured within fourteen (14) calendar days, a fee of forty (40) dollars shall be assessed, which is comprised of an initial monetary penalty of twenty-five (25) dollars plus a certified mailing fee of fifteen (15) dollars. This letter shall also state that the owner may petition the Department of Real Estate pursuant to ARS 32-2199.01.

Second Notice and Assessment of Initial Monetary Penalty

A second notice will be sent if the owner has not complied with the first notice, or if the violation has returned or has been repeated. The second notice will inform the owner that a fee has been assessed in the amount of forty (40) dollars, which is comprised of an initial monetary penalty of twenty-five (25) dollars plus a certified mailing fee of fifteen (15) dollars. The second notice shall also include a warning that if the violation is not cured within fourteen (14) calendar days, a fee of sixty-five (65) dollars shall be assessed, which is comprised of an additional monetary penalty of fifty (50) dollars plus a certified mailing fee of fifteen (15) dollars.

Third Notice and Assessment of Additional Monetary Penalty

A third notice will be sent if the owner has not complied with the first and second notices, or if the violation has returned or has been repeated. The third notice will inform the owner that a fee has been assessed in the amount of sixty-five (65) dollars, which is comprised of an additional monetary penalty of fifty (50) dollars plus a certified mailing fee of fifteen (15) dollars. The third notice shall also include a warning that if the violation is not cured within fourteen (14) calendar days, upon each subsequent inspection where it is found that the violation is still not cured, a fee of one hundred fifteen (115) dollars shall be assessed, which is comprised of an additional monetary penalty of one hundred (100) dollars plus a certified mailing fee of fifteen (15) dollars.

Additional Monetary Penalty

After the imposition of the initial monetary penalty and the additional monetary penalty, another monetary penalty, in the amount of one hundred fifteen (115) dollars, which is comprised of another additional monetary penalty of one hundred (100) dollars plus a certified mailing fee of fifteen (15) dollars, may be assessed upon subsequent inspections if the owner has not corrected or removed the violation, or if the violation is repeated or has returned. Inspections will be conducted to coincide with the terms of the notices.

Certified Mailing Fee

In addition to the monetary penalties there will be a fifteen (15) dollar certified mailing fee assessed per violation.

Should a period of time of at least ninety (90) calendar days lapse between violation letters of the same offense, the next letter will be a first notice again.

Exception to Notice Procedure

Violations posing a threat to the health, safety, and welfare of the community as a whole or any one or more other owners may require immediate action and thus create exceptions to the foregoing notice provisions. Examples of health, safety, and welfare violations include, but are not limited to, the following: accumulation of trash and/or other materials that may attract pests; threat of flood or fire damage to neighboring properties; an escaped pet; or a collapsed structure or tree blocking the road or drivers' lines of vision.

Opportunity to be Heard

The Association recognizes each owner's right to explain the reasons why there is a violation of the CC&R's or the other Project Documents, particularly if the violation results in an assessment. Before any fee is assessed, an owner has the opportunity to request a hearing before the Board of Directors. The owner must provide timely written request for a hearing. If the hearing is scheduled, and attended, the owner is bound by the decision of a majority of the Board.

DocuSigned by:

Ruth Ann Monti

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For Park Scottsdale II Townhouse Corp.

September 20, 2021

Date