

KEYSTONE OWNERS ASSOCIATION

CONDITIONS, COVENANTS AND RESTRICTIONS, ASSOCIATION RULES, AND BY-LAWS ENFORCEMENT AND FINE PENALTIES POLICY

Keystone Owners Association has established the following Enforcement and Fine Policy for Covenants, Conditions and Restrictions, (CC&R's) Rules, and By-Laws violations, 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 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 at a duly called meeting of the Board on October 27, 2022.

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 twenty one (21) calendar days to bring the violation into compliance. The first notice shall include a warning that if the violation is not cured within twenty one (21) calendar days, a fee shall be assessed, which is comprised of an initial penalty as outlined in the schedule of penalties, 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 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, which is comprised of an initial penalty as outlined in the schedule of penalties, 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 twenty one (21) calendar days, a fee shall be assessed, which is comprised of a second penalty as outlined in the schedule of penalties, plus a certified mailing fee of fifteen (15) dollars.

Third Notice and Assessment of Second 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, which is comprised of a second penalty as outlined in the schedule of penalties, 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 twenty one (21) calendar days, upon each subsequent inspection where it is found that the violation is still not cured, a fee will be assessed, which is comprised of an additional penalty as outlined in the schedule of penalties, plus a certified mailing fee of fifteen (15) dollars.

Additional Penalty

After the imposition of the initial penalty, the second penalty, and an additional penalty, another fee which is comprised of another additional penalty as outlined in the schedule of penalties, 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 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.

Schedule of Penalties

Violation	Initial Penalty	Second Penalty	Additional Penalties
Architectural Change Without Approval	\$100	\$250	\$500
All other violations	\$25	\$50	\$100

Architectural Change Without Approval

Changes to the property without the required approval by the Architectural Committee will result in a violation letter demanding that the owner submit an Architectural Request Form with the changes made within twenty one (21) days of the date of the violation letter. Non-compliance will result in penalties as listed under Schedule of Penalties.

Exception to Notice Procedure and Policies

Violations damaging properties and/or Association common areas or 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. The board may impose a greater fine in regard to the above exceptions.

Right of Self-Help

The Association has the right (but not the obligation) to enter the owner’s property and to provide all maintenance and repairs that are necessary to remove the violation. Entry by the Association and any of its agents is not an actionable trespass. The Association may assess the Owner for the costs of all maintenance and repairs performed by the Association.

Attorneys

Notwithstanding anything to the contrary herein, the board shall have the right, in its sole discretion, to forward any matter to its attorneys for legal intervention.

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 a written request for a hearing within fourteen (14) calendar days.

DocuSigned by:

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 Tim Seyfarth
 For Keystone Owners Association

12/2/2022

 Date

