

THE CAREFREE MOUNTAIN ESTATES COMMUNITY ASSOCIATION

REVISED ENFORCEMENT AND FINE POLICY

Effective October 15, 2026

Pursuant to the Declaration, the Association shall have the right to adopt a schedule of fines for violation of any provision of the Governing Documents. The following Enforcement and Fine Policy, and Appeal Process, shall be followed for The Carefree Mountain Estates Community Association:

COMPLAINT/VIOLATION PROCESS

Any Owner/homeowner, or agent of the Association, may file a concern against another homeowner for violation of any provision of the CME governing documents. Arizona Law requires you to provide your name during the course of reporting an alleged violation of law or CC&R rule.

Complaints must be filed on the CME Complaint Form and include a description of the alleged issue and the identity of the offending Owner if known. A concern from an Owner is considered when received (i) by a CME Board Member or (ii) by the Association's management company.

A copy or record of all written complaints will be provided to the Board of Directors immediately. It will also be sent to the Owner of the alleged violation, if done so in writing. The board will receive copies of all the notices as they are sent.

COMPLIANCE AND FINE STRUCTURE FOR:

ANY RENTALS

FIRST NOTICE: An initial notice of the violation shall be mailed to the Owner requesting compliance within fourteen (14) days - **NO FINE**.

SECOND NOTICE: If violation still exists fourteen (14) days after the initial notice of violation, a second notice requesting compliance within fourteen (14) days shall be mailed to the Owner. A **\$2,500.00 FINE** will be assessed with the second notice of violation and is due immediately.

THIRD NOTICE: If violation still exists fourteen (14) days after the second notice of violation, a third notice requesting compliance within fourteen (14) days shall be mailed to the Owner. A **\$5,000.00 FINE** will be assessed with the third notice of violation and is due immediately.

FOURTH NOTICE: If violation still exists fourteen (14) days after the third notice of violation, a fourth notice requesting compliance within fourteen (14) days shall be mailed to the Owner. A **\$5,000.00 FINE** will be assessed with the fourth notice of violation and is due immediately.

CONTINUING VIOLATIONS: If the violation continues without resolution after the fourth notice of violation, a **FINE of \$5,000.00** shall be assessed **every fourteen (14) days** until the violation is resolved. In addition, the Board of Directors shall have the right to take legal action, the cost of which shall be invoiced to the Owner and collected in the same manner as assessments.

FINES: No fine shall be imposed without first providing a written warning to the Owner describing the violation and stating that failure to correct the violation within fourteen (14) days or ***another occurrence of the same violation within three (3) months*** of the original violation shall make the Owner subject to imposition of a fine. Failure to pay any fine shall ***subject the Owner to the same potential penalties and enforcement*** as failure to pay any assessments under the Declaration.

FOR ALL OTHER VIOLATIONS

FIRST NOTICE: The Owner shall be advised in writing via email with a first notice and the homeowner will be given fourteen (14) days to correct the violation, contest the notice pursuant to statute, communicate with the CME Community Manager or request an opportunity to be heard by the Board of Directors. The number of days to correct the violation may be increased at the discretion of the board for these meetings to take place. - **NO FINE.**

SECOND NOTICE: If the violation still exists fourteen (14) days after the first notice, a second notice will be sent in writing via email requesting compliance within (14) more days. The second notice will specify:

- a. the provision of the governing documents that has allegedly been violated
- b. the date the violation was observed
- c. a photo of the issue/s
- d. the process the Owner must follow to contest the violation, including the Owner's right to request an administrative hearing with the Board. The Owner will be given an additional fourteen (14) days to correct the violation, communicate with the office, provide a timeline for correcting the violation, contest the notice pursuant to the guidelines, or request an opportunity to be heard by the Association Board. – **NO FINE.**

THIRD NOTICE: If the violation still exists twenty-eight (28) days after the first notice and the Owner does not comply, communicate, and/or request an opportunity to be heard by the Board of Directors or association manager, a third notice will be sent via certified mail, and a **\$100 FINE** will be assessed to their account.

CONTINUING VIOLATIONS: The fine schedule will continue after every 10 (ten) days an additional **\$100 FINE** will be assessed to the homeowner's account for non-compliance until the violation is resolved. In addition, the Board of Directors shall have the right to remedy the violation and/or take legal action, the cost of which shall be invoiced to the Owner and collected in the same manner as assessments.

FINE SCHEDULE

- First Notice: **NO FINE** (14 days to respond)
- Second Notice: **NO FINE** (14 more days)
- Third Notice - **\$100 FINE** (10 days)
- Following the Third Notice, an additional **\$100 FINE** will be assessed ***every 10 days until the violation is corrected***

SELF HELP: Pursuant to Article 9.19 of the Declaration, The Community Association or its authorized agents may enter any Lot in which a violation of this Community Declaration, the Articles, Bylaws, Community Design Guidelines or Community Association Rules, exists and may correct such violation at the expense of the Owner of such Lot. Such expenses, and such fines as may be imposed pursuant to the Bylaws, or Community Association Rules shall be a Special Assessment secured by a lien upon such Lot enforceable in accordance with the provisions of Section 4 of the Declaration. All remedies available at law or equity shall be available in the event of any breach by any Owner, Member, Occupant or other Person of any provision of Section 9 of the Declaration.

Notwithstanding the foregoing, the Board of Directors reserves the right to seek Injunctive Relief at anytime regardless of the presence or absence of notices hereunder, for any violation that the Board of Directors determines in its sole and absolute discretion constitutes a material danger to persons or property or requires immediate action for any other substantial reason.

The Board of Directors reserves the right to take any action permitted by law or the Declaration, in addition to the above mentioned fine policy. The Board retains the right to vary the enforcement process at its sole discretion.

APPEAL PROCESS

- When a violation notice is sent to an Owner, such notice shall include a statement notifying the Owner that he/she has the "RIGHT OF APPEAL."
- When an Owner desires to appeal a violation, he/she must so notify the Management Company in writing within ten (10) days after the date of the violation notice.
- Appeals shall demonstrate **extenuating circumstances** which require deviation from the Governing Documents.
- All decisions of the Board are final and may not be further appealed.
- Any appeal that does not meet the above requirements shall not be heard by the Board and shall be considered **DENIED**.
- The Owner appealing the violation will be given written notice that the appeal has been received and it will be reviewed by the Board.
- If the appeal is denied, the Owner must bring the violation into compliance within ten (10) days. If the violation still exists after ten (10) days, the **Owner will be fined \$100 every ten (10) days until the violation is corrected**. In addition, the Board of Directors may seek legal action to remedy the violation. All costs of legal action will be billed to the Owner and collected in the same manner as assessments.