CIRCLE G RANCHES 4 HOMEOWNERS ASSOCIATION

RULES AND REGULATIONS CC&R VIOLATION AND ENFORCEMENT POLICY

Circle G Ranches 4 Homeowners Association 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 at a duly called meeting of the Board on May 3, 2018.

First Notice

A courtesy notice will be sent by regular mail 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 of fifty (50) dollars shall be assessed, which is comprised of an initial monetary penalty of fifty (50) 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 by regular mail if the owner has not complied with the courtesy 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 fifty (50) dollars, which is comprised of an initial monetary penalty of fifty (50) dollars. The second notice shall also include a warning that if the violation is not cured within twenty-one (21) calendar days, a fee of ninety (90) dollars shall be assessed, which is comprised of an additional monetary penalty of seventy-five (75) dollars plus a certified mailing fee of fifteen (15) dollars.

Third Notice and Assessment of Additional Monetary Penalty

A third notice will be sent by regular and certified mail if the owner has not complied with the courtesy 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 ninety (90) dollars, which is comprised of an additional monetary penalty of seventy-five (75) 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 twenty-one (21) 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 six (6) months lapse between violation letters of the same offense, the next letter will be a first notice again.

Right of Self-Help

After the imposition of the initial monetary penalty and two additional monetary penalties (i.e. after the 4th inspection) if the owner has not corrected or removed the violation, or if the violation is repeated or has returned, the Association has the right (but not the obligation) to enter the owner's property and to provide maintenance and repairs in accordance with the CC&R's section 3.18. 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.

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 <u>written</u> request for a hearing. Owners are advised that in addition to the right to appeal to the Board of Directors, the owner may also petition the Department of Real Estate pursuant to ARS 32-2199.01.

For Circle Ranches 4 Homeowners Association

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