

## **Annecy Homeowners Association Enforcement and Fine Policy**

The Board of Directors of Annecy Homeowners Association (“Association”), by a majority vote of the Directors present at a duly called and noticed open meeting of the Board of Directors, hereby resolves and implements the following Enforcement and Fine Policy pertaining to violations of the Association’s governing documents.

### **ENFORCEMENT POLICY**

All definitions set forth in the Association’s Declaration of Covenants, Conditions, Restrictions, Reservations and Easements for Annecy, recorded at Document No. 2006-0428895 in the Maricopa County Recorder’s Office (“Declaration”), as amended, are hereby incorporated herein as if fully expressed and have full application hereto.

#### **Written Notice of Violation of Restrictions**

An Owner in violation of any restriction contained in the Declaration or any other provision of the governing documents, including but not limited to the Articles of Incorporation, Bylaws, Rules and Regulations, or policies (generally referred to as “Governing Documents”) will be notified in writing, either by the Association’s Board of Directors, its managing agent, or attorney of a violation of the Governing Documents, said notice containing at least the following information:

- (1) The provision, restriction, rule, or regulation that has allegedly been violated;
- (2) The date of the violation or the date of the violation was observed;
- (3) The first and last name of the person or people who observed the violation;
- (4) The process the member must follow to contest the violation;

The Notices will be sent to the mailing address on record with the Association. It is each Owner’s responsibility to ensure that the Association has the most current and up-to-date mailing information for contacting the Owner to ensure they receive notices pursuant to A.R.S. § 33-1804.

#### **Reporting Violations to the Association**

- (1) Owners or residents within the community may report alleged violations only if they personally observed the alleged violation.
- (2) Alleged violations are to be reported in writing to the Association’s Community Manager.

- (3) The complaint must be detailed and provide the nature of the violation, the time, date, and place of the violation and any witnesses to the violation.
- (4) The Board or its authorized agent(s) should review the written complaint and supporting documents, if any.
- (5) If the Board or its authorized agent(s) determines that the complaint is valid and sets forth a valid violation of provisions of the Governing Documents, then the Board shall send a written notice to the violating Owner.
- (6) A Complaining Owner must understand and be aware that his or her first and last name may be provided to the Violating Owner consistent with Arizona law.
- (7) Notwithstanding reports from Owners, the Association may also periodically conduct its own inspections and send written notices of violations to Owners based on the findings of these inspections. In such instances, the identity of the person observing the violation shall be stated as the board of directors.

### **GENERAL FINE SCHEDULE FOR VIOLATIONS**

The Board hereby adopts the following fine schedule and procedure consistent with A.R.S. § 33-1803 as its general fine schedule for violations. The Board may amend this Policy from time to time to change the amounts of fines imposed for violations of the Governing Documents.

All fine amounts are subject to the Board's discretion. The Board may impose larger or smaller fines as appropriate for any given circumstances. As a guide, the following shall be the default fine amounts absent extenuating circumstances:

#### **Animal violation**

- 1st Notice: \$0 fine (Warning Letter)
- 2nd Notice: \$50 fine
- 3rd Notice: \$100 fine
- 4th Notice: \$200 fine
- Every consecutive month after \$200

#### **Lot/ Construction Violation**

- 1st Notice: \$0 fine (Warning Letter)
- 2nd Notice: \$250 fine
- 3rd Notice: \$500 fine
- 4<sup>th</sup> Notice: \$1000 fine
- Every consecutive month after \$200

### **Nuisance Behavior Violation**

- 1st Notice: \$0 fine (Warning Letter)
- 2nd Notice: \$50 fine
- 3rd Notice: \$100 fine
- 4th Notice: \$200 fine
- Every consecutive month after \$200

### **Trash Violation**

- 1st Notice: \$0 fine (Warning Letter)
- 2nd Notice: \$50 fine
- 3rd Notice: \$100 fine
- 4th Notice: \$200 fine
- Every consecutive month after \$200

### **NOTICE PROCEDURES**

**First Notice of Violation:** A violation letter (First Notice) will be sent to the Owner of the property outlining the violation containing the information noted above.

The Owner will be given twenty-one (21) days to bring the violation into compliance. The Owner may contact the Association's management company if additional time is needed to cure the violation or if extenuating circumstances exist.

The First Notice shall include a warning that if the violation is not cured within twenty-one days, a fine ("Initial Monetary Penalty") in the stated amount may be assessed to the Owner's account. This Policy and courtesy letter satisfy the requirement for the Association to provide notice and an opportunity to be heard to the violating Owner before a monetary penalty is imposed per A.R.S. § 33-1803 and the Bylaws. The stated fine amount for any fine, including any Additional Monetary Penalties as stated below, may vary based on the nature of any specific violation in the Board's discretion.

This letter shall also state the process the member must follow to contest the notice.

**Second Notice of Violation and Assessment of Initial Monetary Penalty:** If the violation is ongoing, has returned, or has not been cured within the initial twenty-one day period, the Association will issue a second written Notice to the Owner. The second Notice will inform the Owner that the Initial Monetary Penalty has been imposed against the Owner and the amount of the Initial Monetary Penalty.

This letter shall also inform the Owner that if the violation is not cured within an additional twenty-one (21) days from the date of the Second Notice, that an additional fine ("Additional Monetary Penalty") may be assessed and state the amount of the

contemplated fine. The Owner will also be responsible for any certified letter processing fees or other hard costs incurred to the Association in processing the violation or sending the notice.

**Third Notice of Violation and Assessment of Additional Monetary Penalty:** If the violation is ongoing, has returned, or has not been cured within the additional twenty-one (21) day period, the Association will issue a third and final written Notice to the Owner.

The Association may assess the Additional Monetary Penalty, in the amount stated, if the Owner has not corrected or removed the violation, or if the violation has returned or has been repeated. The Owner will also be responsible for any certified letter processing fees or other hard costs incurred to the Association in processing the violation or sending the notice.

This letter shall also provide that if the violation is not cured within an additional twenty-one (21) days, that subsequent fines in the amount stated ("Continuing Monetary Penalty") may be assessed to the Owner's account monthly until the violation is cured.

**Continuing Monetary Penalties:** If the violation is ongoing, has returned, or has not been cured within the final 21-day cure period, the Association may continue assessing subsequent fines in the amount stated ("Continuing Monetary Penalty") until the violation is cured.

The Owner shall be sent a written Notice of Continuing Monetary Penalty as fines are imposed, advising that the Continuing Monetary Penalty has been assessed to the Owner's account. The Owner will also be responsible for any certified letter processing fees or other hard costs incurred to the Association in processing the violation or sending the notice.

Should a period of time of at least 180 days lapse between violation letters of the same offense, the violation process will reset, and the next letter will be a First Notice.

**Additional Legal Remedies and Continuing Violations.** The Board, in its discretion, may refer an account to the Association's attorney's office for further enforcement action if an Owner fails to cure a violation at the Board's discretion.

Further, the Association has the right, without proceeding through each of the steps outlined above, to exercise its legal remedies against an Owner who is in violation of provisions in the Governing Documents, including referring the account immediately to the attorneys' office, or to exercise self-help, if applicable.

The Board may also forgo additional Notices for any violations that are time-sensitive or that threaten the health and safety of other Owners and residents and reserves the right to immediately send an account to the Association's attorney's office, in its discretion. Nothing in this Resolution prohibits the Association from seeking immediate

redress, filing an action for any reason authorized by law, while also seeking injunctive relief for violations that are continuing or that affect the health, safety, or welfare of the Community.

Subject to the Governing Documents and pursuant to A.R.S. § 33-1803 and A.R.S. § 12-341.01, the Association shall be entitled to its attorneys' fees and costs incurred to compel compliance in the event it is forced to file a lawsuit to enforce the Governing Documents.

#### **Right of Self-Help**

The Association has the right (but not the obligation) to enter an Owner's property to cure the violation. If the Owner fails to cure the violation(s) or submit a plan for curing a violation not readily correctible within fifteen (15) days after notice from the Association, the Association (or its agents) may enter the Lot and cure the violation(s) or otherwise properly maintain the Lot as necessary as set forth in Section 8.1 of the Declaration.

Entry by the Association and any of the Association's agents under this authority is not an actionable trespass. Owners (or Owners' family, guests, or tenants) shall not interfere with the Association or its vendors carrying out this remedy of self-help.

The costs of such maintenance, repairs, or other work incurred by the Association to cure the violation(s) on the Lot may be assessed to the violating Owner's account and is immediately due and owing upon demand for payment. Further, the self-help costs are secured by the Association's Assessment Lien per Section 3(M) of the Declaration.

#### **Right to Suspend Use of Common Areas or Voting Rights**

The Association also has the right to suspend an Owner's right to access the community Common Areas and suspend an Owner's voting rights pursuant to Section 6.3 of the Declaration during the time a Lot is in violation of the Declaration, as amended.

In the event any Owner is in arrears in the payment of any Assessment, monetary penalties or other fees and charges due under the terms of the Declaration for a period of fifteen (15) days, the Owner's right to vote as a Member of the Association may be suspended and remain suspended until all payments, including accrued interest and attorneys' fees, are brought current pursuant to Section 3.1 of the Declaration.

#### **Recording a Notice of Violation**

The Association has the right to record a written Notice of a Violation by an Owner (or Resident or tenant) with the Maricopa County Recorder's office. The purpose of such recorded Notice of Violation is to put others on notice that a violation exists on the Lot, including potential purchasers.

The Notice shall state (i) the name of the Owner responsible for the violation of the Governing Documents, (ii) the legal description of the Lot; (iii) a brief description of the nature of the outstanding violation; (iv) a statement of the steps that must be taken to cure the violation.

### **OWNER'S RIGHT TO A HEARING**

An Owner who has received a written Notice of a violation as set forth above may request a hearing as follows and subject to the following conditions:

- a.) Owner may submit a request for a hearing in writing to the Association in care of the address provided in the initial Notice. The request must be mailed via certified mail pursuant to A.R.S. § 33-1803.
- b.) The request for hearing shall be received (by certified mail) within twenty-one (21) days of the date of the initial notification. In the event a timely request for a hearing is received, any fine(s) will be held in abeyance pending the hearing; however, lack of success at the hearing may result in the imposition of fines.
- c.) The request for hearing must include all pertinent information demonstrating either that no violation exists or supporting the existence of any extenuating circumstances or why a deviation from the rules and restrictions is warranted.
- d.) The hearing shall be heard in Executive Session, unless otherwise requested by the Owner at issue.
- e.) The Association's Board members will conduct the hearing and permit the Owner a reasonable opportunity to state a defense and produce evidence. The Directors will have the opportunity to ask the Owner questions regarding the violation; however, lengthy discussions are not part of the hearing process.
- f.) Upon completion of the Owner's presentation of his or her defense, the hearing will conclude, and the Board members shall consider the matter in closed session. The Board shall notify the Owner once it reaches a decision.
- g.) All decisions of the Board of Directors after a hearing are final and may not be further appealed.

### **NON-WAIVER**

The failure of the Association to enforce provisions of its Governing Documents in one instance does not constitute a waiver of the right to enforce the Governing Documents in the future.

### **APPLICABILITY**

This policy shall apply prospectively to all new enforcement actions instituted by the Association following its adoption. It shall not apply retroactively to any violation for which the Association has already begun enforcement activity.

### **CERTIFICATION**

I, Ron Johnson, am the President of the Association and affirm that on the 2 day of December 2025, the Association's Board of Directors met in a duly noticed open meeting and adopted the above Resolution.

By: 

Its: President