

**SIGNAL BUTTE MANOR HOMEOWNERS ASSOCIATION**  
**ENFORCEMENT AND FINE POLICY**

Effective DECEMBER 2017

Pursuant to the Declaration of Covenants, Conditions and Restrictions for Signal Butte Manor ("CC&Rs"), recorded with the Maricopa County Recorder's Office at Instrument No. 1999-0556631, and in compliance with Arizona Revised Statute §33-1803, the Signal Butte Manor Homeowners Association (hereinafter referred to as the "Association") hereby adopts this Fine Policy for violations of the CC&Rs, Bylaws, Association Rules, or Architectural Committee Rules of the Association (collectively referred to herein as "Project Documents") and it is intended to supersede and replace any prior fine policy of the Association.

Any Owner who is found to be in violation of the Project Documents, with the exception of the Owner's failure to pay assessments and other related charges, will be provided a written Notice of Violation regarding that certain violation in accordance with the schedule below. In the event the Owner fails to comply and remedy the violation after written notice and an opportunity to be heard in accordance with the schedule of Notices below, the Association may cause corrective action to be taken, impose monetary penalties ("Fines") in accordance with the Fine Schedule attached hereto as Exhibit "A", or take legal action.

**INITIAL NOTICE:** An Initial Notice of Violation shall be mailed via regular mail to the Owner in violation requesting compliance with the Project Documents within twenty-one (21) days of the date of the Notice. The Notice may inform the Owner that if compliance is not met the Association, pursuant to Section 9.6 of the CC&Rs, may cause corrective action to be taken and the related costs incurred by the Association shall become part of the Owner's assessment obligation and secured by a lien against the Owner's Lot.

**SECOND NOTICE:** If the violation still exists, a Second Notice of Violation shall be mailed via regular mail to the Owner in violation demanding compliance with the Project Documents within fourteen (14) days of the date of the Notice. The Notice will also inform the Owner that a Fine will be assessed in accordance with the attached Fine Schedule if compliance is not timely met.

**THIRD NOTICE:** If the violation still exists, a Second Notice of Violation shall be mailed via regular mail to the Owner in violation demanding compliance with the Project Documents within fourteen (14) days of the date of the Notice. The Notice will also inform the Owner that a Fine will be assessed in accordance with the attached Fine Schedule if compliance is not timely met.

**FOURTH NOTICE:** If the violation still exists, a Fourth Notice of Violation shall be mailed via regular mail to the Owner in violation demanding compliance with the Project Documents within fourteen (14) days of the date of the Notice. The Notice will also inform the Owner that additional Fines will be assessed in accordance with the attached Fine Schedule until the violation is resolved.

**CONTINUING VIOLATIONS:** If the violation continues to exist without resolution after the Fourth Notice of Violation, additional Notices may be sent to the Owner demanding compliance with the Project Documents within fourteen (14) days of the Notice and imposing a Fine in accordance with the attached Fine Schedule until the violation is resolved. If the same type of violation recurs within three (3) months after it has been corrected, the Association may start the process above with the Second Notice of Violation.

**Notwithstanding the foregoing, nothing in this Policy will limit the Association's right to immediately pursue any and all legal remedies to address an Owner's violation of the Project Documents and all court costs and attorney's fees incurred by the Association in so doing shall be added to and become part of the assessment to which the offending Owner and the Owner's Lot is subject and shall be secured by the assessment lien. The Association also reserves the right to pursue any other legal action permitted by law or the CC&Rs in addition to this Policy.**

### **APPEAL PROCESS**

- Any Owner who receives a Notice of Violation that the condition of the Owner's Lot is in violation of the Project Documents may provide the Association with a written response contesting the Notice of Violation by sending the response by certified mail within twenty-one (21) days after the date of the Notice of Violation.
- Any Owner contesting a Notice of Violation may also request a hearing with the Association's Board of Directors the will take place during the Board's executive session meeting unless the Owner requests to meet with the Board during the open meeting.
- Following the appeal hearing, the Board of Directors will render a decision and notify the Owner in writing within seven (7) business days.
- All decisions of the Board are final and may not be further appealed.
- If the appeal is denied, the homeowner is required to bring the violation into compliance within fourteen (14) days. If the violation still exists after fourteen (14) days, the violation will be treated as a continuing violation and the Owner may continue to receive Violation Notices every fourteen (14) days thereafter with accompanying Fines in accordance with the attached Schedule of Fines.

*Exhibit A*

**SIGNAL BUTTE MANOR HOMEOWNERS ASSOCIATION**  
**FINE SCHEDULE**

Subject to the requirements of the Association's Fine Policy, the Fine Schedule shall be as follows:

<b>Category of Violation</b>	<b>Fines</b>
<b>Architectural</b> (unapproved permanent or semi-permanent alteration)	Initial Notice: No Fine 2 <sup>nd</sup> Notice: \$25.00 3 <sup>rd</sup> Notice: \$50.00 4 <sup>th</sup> Notice, etc.: \$100.00
<b>Parking</b> (vehicles parked in violation of CC&Rs/Rules)	Initial Notice: No Fine 2 <sup>nd</sup> Notice: \$25.00 3 <sup>rd</sup> Notice: \$50.00 4 <sup>th</sup> Notice, etc.: \$100.00
<b>Maintenance</b> (failure to properly maintain Lot, including landscaping)	Initial Notice: No Fine 2 <sup>nd</sup> Notice: \$25.00 3 <sup>rd</sup> Notice: \$50.00 4 <sup>th</sup> Notice, etc.: \$100.00
<b>Use Restrictions &amp; Nuisances</b> (rentals, pets, business use, trash cans, non-permanent alterations, noise, inappropriate actions, etc.)	Initial Notice: No Fine 2 <sup>nd</sup> Notice: \$25.00 3 <sup>rd</sup> Notice: \$50.00 4 <sup>th</sup> Notice, etc.: \$100.00

1. Some violations may fall into more than one Category of Violation. The Board shall have the discretion to determine which Category best describes the violation at issue.
2. Unless otherwise set forth in the Fine Policy, the monetary penalty amount to be levied shall be a one-time amount per Notice.
3. The examples listed are not intended to be limiting. Each Category of Violation may include other specific types of violations not listed.
4. The Fine Schedule and Fine Policy may be amended from time to time by the Board.

**UNANIMOUS WRITTEN CONSENT BY THE BOARD OF DIRECTORS OF  
SIGNAL BUTTE MANOR HOMEOWNERS ASSOCIATION**

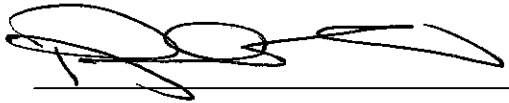
**ENFORCEMENT AND FINE POLICY**

The undersigned, constituting all of the members of the Board of Directors ("Board") of Signal Butte Manor Homeowners Association, an Arizona nonprofit corporation, hereby take the following action:

RESOLVED, that the Board hereby approves the attached Enforcement and Fine Policy for Signal Butte Manor Homeowners Association attached to this resolution.

The Board hereby instructs the managing agent to notify all homeowner's of the implementation of the fine policy and violation appeal process effective as of DECEMBER, 2017.

IN WITNESS WHEREOF, the undersigned have executed this consent as of this 15<sup>TH</sup> day of DECEMBER, 2017.

  
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