

**Stonegate Community Association
Enforcement Policy and Fine Schedule**

WHEREAS, Stonegate Community Association (the “Association”) is governed by the Amended and Restated Covenants, Conditions and Restrictions for Stonegate recorded on April 10, 2009, in the Official Records of the Maricopa County Recorder, at Recording No. 2009-0320321, as may be amended from time to time (the “Declaration”).

WHEREAS, capitalized terms not otherwise defined herein shall have the meaning assigned to such terms in the Declaration.

WHEREAS, the Association has authority pursuant to Article 9, Section 9.1 of the Declaration to enforce the Declaration, the Stonegate Community Association, Inc. Amended and Restated Bylaws (the “Bylaws”), and any rules, guidelines or regulations (collectively, the “Governing Documents”), in any manner provided for in the Governing Documents and applicable law.

WHEREAS, pursuant to Article 6, Section 6.12 of the Declaration and A.R.S. § 33-1803(B), the Association may, after providing notice and an opportunity to be heard, impose reasonable monetary penalties (fines) on Owners for violations of the Governing Documents committed by such Owner and the Owner’s lessees, guests, and invitees, after notice and an opportunity to be heard; and

WHEREAS, the Board of Directors (the “Board”) finds there is a need to establish a policy to aid in the enforcement of violations of the Governing Documents.

NOW, THEREFORE, BE IT RESOLVED THAT based on the power granted to the Board by the Governing Documents and applicable law, the Board hereby adopts the following Enforcement Policy and Fine Schedule (the “Policy”), which shall supersede and replace any previously adopted enforcement and fine policies.

A. **Authorization.** The Board authorizes its managing agent (“Executive Director”) to carry out this Policy, by, among other things, identifying violations of the Governing Documents, facilitating the resolution of violations, and scheduling requested hearings. While the Association intends to generally follow the procedures outlined in the Policy, the Association reserves the right and authority to the fullest extent permitted by applicable law and the Governing Documents to vary from the Policy.

B. Categories of Violations:

1. **Architectural** – Any construction or installation of a structure or of any kind, including but not limited to, a building, wall, fence, storage room, roadway or driveway or landscaping of any kind, which has not been first approved by the Architectural Committee, or which does not, in all respects, conform to that which has been approved by the Architectural Committee, is deemed a violation under this Policy.

2. **Use and Other Restrictions** – Any activity or condition continuing or existing upon on any portion of the Project that is in violation of the Governing Documents, and which is not expressly authorized by the Association, is deemed a violation under this Policy.
 3. **Recurring Violations** – For purposes of this Policy, a “Recurring Violation” shall be defined as a violation that is not cured, or due to its nature, is periodically cured but recurs again within a 1-year period from the date of the last Notice of Violation letter issued. Recurring Violations may include, but are not limited to, violations relating to storage of trash containers, garbage/debris, parking, animals, rentals, and nuisances.
- C. **Identification and Reporting of a Violation:** Violations of the Governing Documents may be witnessed and reported by the Executive Director (or other Association staff), or by an Owner or resident (the “Complainant”).
1. **By Executive Director (or staff):** Violations may be observed from the roadway in order to be documented by the Executive Director (or staff). The Executive Director (or staff) may also attempt to make direct contact with the Owner or resident to resolve the violation immediately.
 2. **By Complainant:** An Owner or resident who witnesses a violation may submit a written complaint to the Executive Director or other Association staff. Pursuant to A.R.S. § 33-1803, their identity will NOT remain anonymous, and the Owner’s or resident’s first and last name may be disclosed by the Association to the party who committed the violation. If an Owner or resident anonymously reports a violation, the Executive Director may, at his/her discretion and ability, attempt to independently verify the violation and serve as the person who observed it. In such a situation, if the Executive Director is unable to observe the violation, no further action will be taken with respect to the violation.
- D. **Delivery of Notices:** All notices will be sent to an Owner’s most recent address in the records of the Association, if different from the Lot address. It is the responsibility of the Owner to keep the Association informed of his/her current email and mailing addresses. In any event, the Owner will be held responsible to cure the violation notwithstanding any failure to update the Association with the current email and mailing addresses. If a Lot is owned by more than one Person, notice to one of the Owners shall constitute notice to all Owners of the same Lot.
- E. **Notices of Violations:**
1. **Courtesy Letter:** An initial notice may be sent to the Owner notifying the Owner of the violation and requesting compliance within the Cure Period (as defined below) from the date of the letter. No fine shall be imposed via the Courtesy Letter. The Courtesy Letter, however, may include a statement that warns the Owner that if the violation is not corrected within the Cure Period, a fine will be imposed. The Courtesy Letter may notify the Owner that they may request a formal hearing with the Board in writing, within 21 calendar days from the date of the Courtesy Letter, to

discuss the violation. The Executive Director, at his/her discretion, may also contact the Owner and/or resident via phone, email or in person to provide preliminary notice of the violation, prior to sending the Courtesy Letter.

2. **First Notice of Violation:** If the Owner does not correct the violation within the Cure Period, a First Notice of Violation may be sent to the Owner requesting immediate compliance. If the Owner did not request a formal hearing with the Board, the First Notice of Violation may state that a fine is being imposed per the fine schedule below.
3. **Unresolved or Recurring Violation:** If the Owner does not request an opportunity to be heard and fails to correct the violation, or if the violation is deemed by the Executive Director or the Board to be a Recurring Violation, additional notices of violation may be sent to the Owner imposing fines per the fine schedule below. Such notices shall state that the violation is unresolved or recurring. The Second Notice of Violation may be sent seven (7) or more days after the date of the First Notice of Violation. The Third Notice of Violation may be sent seven (7) or more days after the date of the Second Notice of Violation. The Fourth Notice of Violation may be sent seven (7) or more days after the date of the Third Notice of Violation.

F. **Cure Period:** Unless otherwise specified in the Courtesy Letter or Notice of Violation, the cure period shall be 10 calendar days.

G. **Fines:** The Association may impose monetary penalties against an Owner for failure to correct a violation of the Governing Documents after the Association provides notice and an opportunity to be heard. The amount of the fine(s) imposed by the Association may be imposed pursuant to the following fine schedule:

CATEGORY OF VIOLATION**	FINE***
Unapproved Architectural Change (unapproved permanent or semi-permanent alteration)*	1st Notice: \$250.00 2nd Notice: \$500.00 3rd Notice: \$750.00 4th Notice: \$1,000.00
Maintenance (failure to properly maintain Lot, including landscaping)*	1st Notice: \$150.00 2nd Notice: \$250.00 3rd Notice: \$500.00 4th Notice: \$750.00
Parking	1st Notice: \$150.00 2nd Notice: \$250.00 3rd Notice: \$500.00 4th Notice: \$750.00
Other Use Restrictions & Nuisances (prohibitions regarding pets, business use, trash/recycling receptacles, non-permanent alterations, noise, inappropriate actions, etc.)*	1st Notice: \$150.00 2nd Notice: \$250.00 3rd Notice: \$500.00 4th Notice: \$750.00

Short-Term Rentals (lease/rental term of less than 120 days)	1st Notice: \$500.00 2nd Notice: \$750.00 3rd Notice: \$1,000.00 4th Notice: \$1,500.00
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*The examples listed in parentheses are not intended to be limiting. In other words, each category of violation may include other violations not listed.

**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.

***Unless otherwise stated in the Notice, the fine amount shall be a one-time levy (i.e., not recurring).

1. Payment of the fine does not alleviate the requirement to correct the violation. All violations must be corrected regardless of whether the fine is paid.
2. The Association may waive any and all fines, or any portion thereof, upon correction of the violation as determined by the Executive Director and/or the Board.
3. The above schedule of fines may be amended from time to time by the Board.

The Board shall consider the fines set forth herein to constitute damages sustained by the Association, and are intended to compensate the Association for the administrative burden of addressing the violation and the adverse impact of the violation on the community.

H. **Sanctions:** In addition to imposing fines, the Association, upon Board approval, may impose additional sanctions to gain compliance, including, but not limited to:

1. Suspending an Owner's right to vote (Article 5, Section 5.10 of the Declaration);
2. Suspending an Owner or Owner's Lessees' right to use recreational facilities located on the Common Area (Article 6, Section 5.14.4); and
3. In accordance with the procedures set forth in Article 7, Section 7.5, exercising self-help or taking action to abate any violations and levying the cost thereof Lot Specific Assessment.

I. **Contesting the Violation:** Owners have a right to be heard and have the following options:

1. **Meeting with Management:** If the Owner is unable to correct the violation within the Cure Period, or if there is some other extenuating circumstance, the Owner can schedule a meeting by telephone or email with Management in order to review details of the violation and develop an acceptable corrective action plan that will lead to curing the violation. The objective of the meeting is to cure violation without the need for a formal hearing.

2. **Formal Hearing:** An Owner may request a formal hearing with the Board in writing within 21 calendar days after the date of the Courtesy Letter. The request must state the specific reason for the hearing and the desired resolution, i.e., the reason the Owner is contesting the violation. If a hearing is requested within the allotted 21-day period, the hearing shall be held before the Board in executive session, unless the Owner requests that the meeting be held in open session.

In most cases, within 10 calendar days of receipt of a hearing request, the Executive Director or the Board will provide the Owner with written notice containing the date, time, and place of the hearing. No additional enforcement action will be taken until after the Board makes a decision concerning the issues raised at the hearing.

If, after a hearing is scheduled, the Owner does not attend the hearing or provide sufficient notice of inability to attend the hearing, the Owner will have waived their right to be heard. In most cases, sufficient notice will be considered 48 hours.

The minutes of the meeting may contain a written statement of the results of the hearing and the sanction, if any, imposed.

- J. **Tendering to Legal Counsel:** Unless otherwise determined by the Board, the Executive Director may turn any unresolved violation matter over to the Association's legal counsel for enforcement after the third Notice of Violation. However, the Board may turn any violation matter over to its legal counsel at any time during the violation notification process in the Board's sole discretion. The Association shall have all rights and remedies available under the Governing Documents and applicable law in enforcing compliance, including, but not limited to, the right to bring an action for injunctive relief.

The Board reserves the right to vary the procedures set forth herein when, in its sole discretion, the Board determines that any such variance is appropriate. Further, the Board reserves the right to deviate from the fine amounts set forth herein if, after an Owner appeals a fine, the Board finds good cause to modify the amount of the fine levied in a particular case. The Board also reserves the right to pursue any and all other remedies set forth in the Declaration at the same time or in lieu of levying the fines set forth in this Policy. This includes turning a matter over to the Association's legal counsel.

This Enforcement Policy and Fine Schedule was adopted by a majority of the Board at a duly called meeting of the Board held on the 24 day of August, 2023 and shall become effective on 8/24, 2023.

DATED this 24 DAY OF August, 2023

STONEGATE COMMUNITY ASSOCIATION

By: 
Its: President