RESOLUTION OF THE BOARD OF DIRECTORS
LAS TORRES HOMEOWNERS ASSOCIATION
A 55+ Community

WHEREAS, Las Torres Homeowners Association (the "Association") is a nonprofit corporation that governs, in whole or in part, the property subject to the Second Amended and Restated Declaration of Condominium and of Covenants, Conditions and Restrictions for Las Torres, recorded as Document No. 2009-079042 in the Official Records of the Maricopa County Recorder's Office, as amended from time to time ("Declaration") including the real property more particularly described in Exhibit A thereto and any other real property made subject to the Declaration.

WHEREAS, pursuant to Article V, Section 3 of the and Arizona law, the Association's Board of Directors (the "Board") has the right to adopt rules and regulations determining how to seek compliance from Homeowners in violation of the Declaration and the Association's Rules and Regulations.

WHEREAS, A.R.S. § 33-1242(A)(11) in part, provides that the Association may:

> … after notice and an opportunity to be heard, impose reasonable monetary penalties on Property owners for violations of the declaration, bylaws and rules of the association.

WHEREAS, the Board of Directors wishes to revise and pass, in compliance with Arizona statutory changes, the original resolution adopted in 2011, determining how to seek compliance from Homeowners in violation of the Declaration and the Association's Rules and Regulations.

BE IT THEREFORE RESOLVED, effective the date of this Resolution, the Board hereby adopts the following Violation Enforcement and Fine Schedule.

DATED this 3rd day of May, 2019.

Las Torres Homeowners Association
A 55+ Community

By: Leigh Field Tollefson
Its President

Notice of Violation Procedure

WHEREAS, the Board of Directors wishes to revise and pass, in compliance with Arizona statutory changes, the original resolution adopted in 2011, determining how to seek compliance from Homeowners in violation of the Declaration and the Association's Rules and Regulations.

NOW, THEREFORE, the Board of Directors resolves as follows:

I. VIOLATION OCCURS OR IS FIRST NOTICED

First Violation Notice

The Homeowner will receive a written, First Violation Notice, which includes:

1. The provision of the community documents that has allegedly been violated.
2. The date of the violation or the date the violation was observed.
3. The first and last name of the person or persons who observed the violation.
4. The process the member must follow to contest the notice.

The Homeowner has 21 calendar days from the date of the First Violation Notice to correct the violation listed in the notice. Per A.R.S. § 33-1242(B), the Homeowner has the opportunity to provide the Association with a written response or request for a hearing with the Board (which must include a request to be placed on the agenda of the next Board meeting) concerning the violation. The Homeowner's response or request must be sent within 21-calendar days from the date of the First Violation Notice by certified mail to the address referenced in the First Violation Notice.

If the Homeowner submits a written response and does not request a hearing with the Board, the Board will review the Homeowner's response and uphold, modify, or clear the violation as the Board, in its sole discretion, deems fit. The Board will provide the Homeowner written notice of its decision based on the Homeowner's response. If the Homeowner submits a written response and does request a hearing with the Board, the Board will schedule a hearing to take place during the closed or executive session of its next, regularly scheduled Board meeting, and the Board will provide the Homeowner written notice of the hearing date and time. Following the hearing, the Board will uphold, modify, or clear the violation as the Board, in its sole discretion, deems fit. The Board will provide the Homeowner written notice of its decision following the hearing.

Upon receipt of any violation notice, the Homeowner has the right to petition the Arizona Department of Real Estate for an administrative hearing concerning the violation pursuant to A.R.S § 32-2199.01.

Pursuant to Article IV, Section 4 of the Declaration, in the event a Homeowner receive a violation notice in response to Board unapproved building exterior changes or Board unapproved building structural changes, the cost incurred by the Association to repair or restore the building to its original condition as a result of the unauthorized architectural changes or modifications made by a Homeowner or its Unit's occupants or tenants, will be the responsibility of the Homeowner.

II. VIOLATION EXISTING AFTER FIRST VIOLATION NOTICE IS SERVED

Second Violation Notice

The Homeowner will receive a written Second Violation Notice if the Homeowner does not cure the violation within the timeframe set forth in the First Violation Notice or if the Homeowner has not submitted a written response to the First Violation Notice as set forth in Section I above.

The Second Violation Notice will state that the Owner will be subject to a $25.00 fine if the Homeowner does not cure the violation within 14 days of the date of the Second Violation Notice or if the Homeowner does not send a written response to the Board contesting the violation and/or fine within the time frame set forth in the Second Violation Notice.

If the Homeowner submits a written response contesting the violation and/or fine, the Board will schedule a hearing to take place during the closed or executive session of its next, regularly scheduled Board meeting, and the Board will provide the Homeowner written notice of the hearing date and time. Following the hearing, the Board will uphold, modify, or clear the violation and/or fine as the Board, in its sole discretion, deems fit. The Board will provide the Homeowner written notice of its decision following the hearing.

III. VIOLATION EXISTING AFTER SECOND VIOLATION NOTICE IS SERVED

Third Violation Notice

The Homeowner will receive a written Third Violation Notice if the Homeowner does not cure the violation within the timeframe set forth in the Second Violation Notice or if the Homeowner has not submitted a written response to the Second Violation Notice as set forth in Section II above.

The Third Violation Notice will state that the Owner has been assessed a $25.00 fine, and will also state that the Homeowner will be subject to continuing fines of $10.00 per day, not to exceed $525.00 in total fines per each separate violation, if the Homeowner does not cure the violation within 14 days of the date of the Third Violation Notice or if the Homeowner does not send a written response to the Board contesting the violation and/or fine within the time frame set forth in the Third Violation Notice.

If the Homeowner submits a written response contesting the violation and/or fine, the Board will schedule a hearing to take place during the closed or executive session of its next, regularly scheduled Board meeting, and the Board will provide the Homeowner written notice of the hearing date and time. Following the hearing, the Board will uphold, modify, or clear the violation and/or fine as the Board, in its sole discretion, deems fit. The Board will provide the Homeowner written notice of its decision following the hearing.

IV. VIOLATION EXISTING AFTER THIRD VIOLATION NOTICE IS SERVED

Referral to Legal Counsel

If the Homeowner does not cure the violation within the timeframe set forth in the Third Violation Notice or if the Homeowner has not submitted a written response to the Third Violation Notice as set forth in Section III above, the Board of Directors may refer the Homeowner to legal counsel for further enforcement action. Such further enforcement action may include, but is not limited to, filing a lawsuit requesting injunctive relief to cure the violation or filing a lawsuit to collect any unpaid fines. Any attorneys' fees and costs incurred by the Association in enforcing compliance with the Association's governing documents will be the responsibility of the Homeowner to pay.

V. ADDITIONAL PROVISIONS

SUPPLEMENTAL FINE POLICIES: The Board may adopt supplemental fine policies to address specific violations in the community (e.g. parking, leases, architectural violations, etc.). If a supplemental fine policy is not adopted, the fines set forth herein shall control. Supplemental fine policies will be incorporated herein as additional, sequential addenda regardless of whether or not the supplemental fine policy states as such.

SELF HELP: Pursuant to Article X, Section 4 of the Declaration, in the event a Homeowner fails to perform any of its obligations under the Declaration, the Association, after the Board makes a finding to that effect, and after fifteen (15) days' notice to the Owner of its violation and the Association's intent to cure said violation, shall have the right, but not the obligation, to cure the violation, and the cost incurred by the Association therefore shall be assessed against the nonperforming Owner.

BOARD DISCRETION: Notwithstanding the foregoing, the Board, in its sole discretion, may at any time, assess a fine in an amount of $2,000.00 for any incident the Board deems to be egregious, dangerous, that may threaten the life, health, safety, or welfare of any person, tenant, occupant, guest, invitee, or Owner, or that may cause detriment or damage to any Association or other Owner's Property. The Board may levy this fine despite any past violation history or lack thereof.

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.

The Board reserves the right to vary the procedures set forth herein when, it 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.