

GREEN VALLEY TOWNHOUSE VI HOMEOWNERS, INC

ENFORCEMENT POLICY

The following Enforcement Policy (the "Policy") was adopted by the Board of Directors ("Board") of the Green Valley Townhouse VI Homeowners, Inc. (the "Association") on April 3, 2024 pursuant to Arizona Revised Statutes ("A.R.S.") §33-1803 and supersedes any enforcement policy or procedure previously adopted. As used herein, the term "CC&Rs" refers to the Townhouse VI Covenants, Conditions and Restrictions as in effect on this Policy's adoption date.

1. Introduction: This Policy establishes how the provisions of the Community Documents (See CC&Rs §1.8) will be enforced on the Townhouse VI Lots and Common Area. For purposes of the Policy, the rules, policies and guidelines promulgated to implement the Community Documents shall be considered part of the Community Documents. This Policy's procedures shall be:

- A. Applied in addressing all Violations (See §2 below) occurring on an Owner's (See CC&Rs §1.20) Lot and on the Common Area (See CC&Rs §1.7), and
- B. Used to implement CC&Rs §4.5, Damage to Common Area, provisions

In its discretion, where the activity, conduct, or condition involves a violation of CC&Rs Article 7, Architectural Review, the Board may choose to either apply this Policy or the CC&Rs Article 7 procedures.

In the spirit of neighborliness and community, many Violations that the Owners note on another Lot or the Common Area should be addressed by personal contact and in a cooperative manner. If Violations cannot be resolved through this approach, then this Policy's procedures should be followed.

2. Establishment of a Violation: Any activity, conduct, or condition existing on any Lot or the Common Area that violates a Community Documents' provision and which the Board has not authorized is deemed a "Violation". CC&Rs Article 10 also addresses enforcement. Where a conflict exists, Article 10 preempts the Policy.

3. Reporting a Violation: Verbal complaints alleging a Violation will not be accepted from Owners or residents. The complainant must submit the complaint in writing to the Board. Arizona Planned Communities Act, A.R.S. §33 – 1803 requires that the name of the person

observing the alleged Violation may have to be disclosed to the alleged violator. Additionally, the complainant may be called upon to testify in court or in a Board hearing as to the Violation.

4. Dates of Notices: All "dates" of the Board's written Notices shall be the date stated in the Notice. The Board member who mails a written Notice, hand delivers a Notice, or attempts to hand deliver a Notice (hereafter collectively "Transmission") shall sign a Statement stating the date of the Transmission. In the Statement, the Board member shall provide details about the Transmission. The following is an example: "On March 8, 2024, the undersigned Association Board member mailed by first class, postage pre-paid mail, the Notice of Hearing to Mr. XYZ at 123 La Canada Drive, Green Valley, AZ 85614." The Statement shall be filed and maintained with the Board's minutes and other enforcement documents.

5. Informal Notification to The Alleged Violator: If the reported activity, condition or conduct appears to be a Violation, an Association representative will contact the Owner in person or by phone, e-mail, or letter, wherein the Owner will be informed of the alleged Violation and will be asked to remedy it in two weeks. Consistent with CC&Rs §8.8.3, the Owner will be responsible for remedying any Violations by a tenant or other person residing in or visiting the Lot. In its discretion, the Board may also pursue action against a tenant or such other person in accordance with this Policy and the CC&Rs. If the Board exercises its discretion to take action against a tenant or other person, hereafter, all references to the Owner will also apply to the tenant or other person. Where the Violation involves Common Area damage, allegedly caused by a contractor or workman, who was performing services for an Owner or a tenant, the Board, in its discretion, may disregard this Policy and negotiate directly with the alleged violator to remedy the damage or pursue legal action seeking compensation for the damage.

6. First Notice of Violation: If the Owner has failed to correct the Violation within two weeks of the Section 5 Informal Notification date or has not made an alternative arrangement with the Association, the Board shall send the Owner a First Notice of Violation via first class, postage pre – paid mail or hand delivery with a timetable for corrective action. Under ordinary circumstances, the Owner will be given at least 21 calendar days from this First Notice's date to correct the Violation. This First Notice may be disregarded if the Violation has already been corrected or if plans to do so have already been submitted to the Board or the appropriate Association committee

7. Contents of the First Notice: The First Notice of Violation shall contain at least the following information:

A. The Community Document provision that has been violated.

B. The Violation date or the date the Violation was observed.

C. A copy of this Policy to ensure that the Owner is aware of the process which the Owner must follow to contest the Notice.

D. Notice of the Owner's option to petition for an administrative hearing before the Arizona Department of Real Estate pursuant to A.R.S. §32 – 2199.01.

8. Contesting the First Notice: If the Owner wishes to contest the First Notice of Violation the Owner must provide a written response, sent by certified mail. The certified mailing date must fall within 21 calendar days after the First Notice's date. The Owner's response shall include any request for additional information. The Owner's response shall be sent to the Association at the address shown on the First Notice of Violation.

9. Response by the Association to the Owner: Within 10 days after receipt of the Owner's Section 8 response, the Board or the appropriate committee shall furnish the Owner with a written explanation regarding the First Notice of Violation and shall provide any additional information, reasonably requested by the Owner.

10. Second Notice of Violation: After completing the Section 6 – 7 procedures, or, if the Owner has failed to respond to the First Notice within the 21 – day Section 8 response period, the Board will conduct a follow – up inspection. If the Owner has not cured the Violation within the specified time, or, if any submitted plans to cure the Violation have not been approved, the Board shall send a Second Notice of Violation by first class mail, postage pre – paid or by hand delivery, wherein the Owner will be instructed to cure the Violation within 7 calendar days from this Second Notice's date.

Alternatively, at this point, the Board may proceed in accordance with CC&Rs §5.7 and intervene directly to correct the Violation. If the Board chooses to use direct intervention (self – help), the Board may levy a Reimbursement Assessment, which is discussed hereafter and in CC&Rs §3.5

11. Notice of Hearing: If the Violation has still not been cured after the 7 – day Section 10 deadline, the Board may:

A. Refer the matter to an attorney for legal action, or

B. Send the Owner a "Notice of Hearing" by first class, postage pre – paid mail or by hand delivery, where the Owner will be invited to appear before a Hearing panel and given the opportunity to make a presentation prior to the Board taking any further enforcement action. The Notice of Hearing shall specify the date, time, and Hearing location and a description of the Violation. The Board may add to the

Violations, listed in the First and Second Notices, any subsequent or continuing Violations and may specify that these subsequent or continuing Violations will be subject to and considered at the Hearing.

12. Hearing:

- A. Hearing Panel: The Hearing Panel will consist of a quorum of the Board
- B. Designated Representative: An Owner may present to the Hearing Panel (prior to or at the Hearing) written notification that another person is the Owner's Designated Representative, who may speak on the Owner's behalf. If the Owner is bringing legal counsel to the Hearing, the Owner or the legal counsel must notify the Board at least 7 days before the Hearing.
- C. Procedure for the Hearing: The Board shall establish the Hearing's procedural format. The Owner and any Designated Representative will be informed of the procedural format before the Hearing. The Owner and the Designated Representative will have the opportunity to present supporting documentation and testimony to show cause why the Board should not take further enforcement action. Among other things, the Board's further enforcement action may include levying a monetary penalty and/or referral of the matter to an attorney. If the Owner requests, the name of the person, who observed the Violation, shall be released to the Owner.
- D. Closed Session: The Hearing will be held in executive (closed) session, unless the Owner requests that the Hearing take place in an open meeting. See A.R.S. §33 – 1804.A.5
- E. Board's Decision: Following the hearing, the Board will make the following determinations:
 - (1) Whether a Violation occurred;
 - (2) The frequency of the Violation, or whether the Violation was continuing;
 - (3) The severity of the Violation; and
 - (4) Whether a penalty and/or Reimbursement Assessment should be assessed and the amount thereof.

13. Proof of Delivery of Notice of Hearing: Proof of delivery to the Owner of the Notice of Hearing shall be deemed adequate if a copy of such Notice, together with the Board member's Section 4 Statement, is attached to the Hearing's minutes.

14. Procedure Involving a Non – Responsive Owner: If the Owner does not respond to the Notice of Hearing within 10 calendar days of the Notice's date or if the Owner and the Designated Representative do not appear at the Hearing, then the Owner shall be deemed to have waived the Owner's right to a Hearing. In turn, the Board may levy a monetary penalty and/or a Reimbursement Assessment, take other enforcement action, and/or refer the matter to an attorney for further action.

15. Hearing Panel's Decisions: The Board shall notify the Owner in writing within 10 business days after the Hearing or after the Hearing's scheduled date, (in the event that the Owner fails to participate in the Hearing), of the Board's decisions, including the amount of any monetary penalty, the amount of any Reimbursement Assessment, any other Board enforcement action, the payment due date, and the date of implementation for any non – monetary enforcement action.

16. Schedule of Penalties:

- A. **MINOR VIOLATIONS: \$50.00 for each Violation, plus \$75.00 for each month or portion of a month that the Violation continues.**

Examples of Minor Violations: Outside garage light not working, garbage cans or other unsightly items left outside, loose dogs.

- B. **MORE SEVERE VIOLATIONS: \$75.00 for each Violation, plus \$100.00 for each month or portion of a month that the Violation continues.**

Examples of More Severe Violations: Weeds, parking Violations, animal restrictions

- C. **MAJOR VIOLATIONS: \$125.00 for each Violation, plus \$125.00 for each month or portion of a month that the Violation continues.**

Examples of Major Violations: Unauthorized construction, exterior maintenance needed, e.g. paint, repairs, etc., and vehicle speeding.

Where the Board determines that a certain conduct, condition, or activity involves Common Area damage, the Board, in its discretion, may levy a penalty, impose a Reimbursement Assessment, or both.

The Board shall determine the severity of the Violation and the frequency of the occurrence or continuation of the Violation.

If the Owner timely remedies the Violation to the Board's satisfaction, the Board may determine not to impose a penalty

For repeated Violations, the Board may impose a penalty for each instance of non – compliance of the same Community Documents' provision.

17. Reimbursement Assessments: In lieu of or in addition to any Section 16 penalties, the Board, consistent with CC&Rs §3.5, may levy a Reimbursement Assessment, where necessary, to remedy any Violation. Before incurring any expenses, the Board shall provide the Owner with the opportunity to take remedial or corrective action. The Owner's remedial or corrective action must be done in a timely manner and, where appropriate, by a licensed professional. If the Owner is unwilling or unable to remedy the Violation, the Board may remedy the Violation after providing the Owner with a licensed professional's cost estimate. The Board may recover the Association's expenditures by levying a Reimbursement Assessment.

18. Owner's Confidentiality: Unless the Owner requests that the Owner's name be made public or requests an open (i.e. public) Hearing (See Section 12.D above), the Owner's name and identity shall be kept confidential.

19. Payment Delinquencies:

- A. All penalties, which have not been paid within 15 days after their stated due date, shall be delinquent, and a late charge of \$15.00 or 10% of the penalty, whichever is greater, shall be added to the penalty. See A.R.S. §33 – 1803
- B. Non – payment of or delinquencies in payment of Reimbursement Assessments are governed by CC&Rs §3.9.

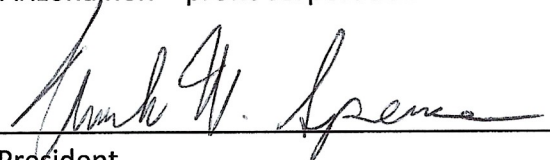
20. Collection of Penalties and Reimbursement Assessments:

- A. Collection of Unpaid Reimbursement Assessments is governed by CC&Rs §3.9.
- B. As to penalties, the Association may obtain a lien on the Owner's Lot for penalties, associated late charges and legal expenses. To obtain such lien, the Association shall file a lawsuit. Where the lawsuit results in a judgment for the Association, the Association may record the judgment, as a lien on the Lot, in the Pima County Recorder's office. Ordinarily, the settlement agent in any subsequent conveyance of the Lot should satisfy the judgment and clear the lien. The Association also has the right to collect on the judgment at any time by any lawful means prior to an attempted conveyance of the Lot. See A.R.S. §33 – 1807.

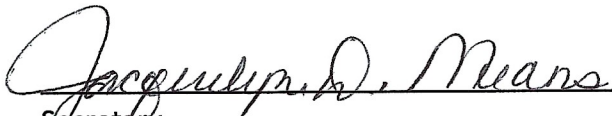
21. Cumulative Rights and Remedies: All of the Association's rights and remedies at law or in equity are cumulative, and the exercise of one right or remedy shall not waive the Association's right to exercise another right or remedy. This means that the Board can decide to initiate a lawsuit against an Owner to enforce any applicable Association Community Documents' provision, rule, restriction, or statute in addition to or instead of imposing a monetary penalty or Reimbursement Assessment. This also means that all pertinent provisions of the Community Documents also apply.

DATED this 10th day of April, 2024

Green Valley Townhouse VI Homeowners, Inc.
An Arizona non – profit corporation

By 
Its President

Attest


Secretary

