

**The Village at University Heights Owners Association
Enforcement Procedures
Adopted: November 14, 2017**

The Enforcement Procedures for violations of the Amended and Restated Declaration, the Bylaws, the Rules and Regulations and the other governing documents of The Village at University Heights Owners Association shall be imposed according to the procedures set forth as follows:

COMPLAINT/VIOLATION PROCESS:

Any member, Board member or agent of the Association may file a Complaint against another member for violation of any provision of the Association governing documents by the member, his family, tenants or guests. A Complaint must be in writing, must be signed (unless submitted via e-mail) and dated and must include a description of the alleged violation and the identity of the alleged violator, if known. A Complaint from a member is considered filed when the written Complaint is received (i) by a member of the Board or a Board member or (ii) by the Association's management company. A copy or record of all Complaints shall be provided to the Board.

Any Complaint received by the Association shall be forwarded to the Association's Enforcement Person. As used herein the term "Enforcement Person" means the Association's management company, if any, or if none, the Board. In all cases where an Enforcement Person other than the Board receives the Complaint, the recipient thereof shall forward a copy of the Complaint to the Board. Upon its receipt of a Complaint, the Enforcement Person shall take the following action (i) immediately if it determines that the complained of situation constitutes an emergency requiring immediate action, or (ii) within ten (10) business days of its receipt of a Complaint if it determines that the complained of situation does not constitute an emergency requiring immediate action.

1. Conduct an investigation of the Complaint to confirm that there is reason to believe that the conditions complained about actually exist, and
2. If the Enforcement Person determines that there is reason to believe that the conditions complained about actually exist it shall attempt to contact the unit owner and try to resolve the Complaint informally.

If the violation is informally resolved, the Enforcement Person shall document in writing for the related unit file what the alleged violation was and how the issue was resolved. If the Enforcement Person is unable to resolve the violation informally, the following enforcement process shall be begun.

COURTESY NOTICE:

In the event the Board or its agent determines that a violation of the Association's governing documents exists and such violation is not informally resolved, a written notice may be sent by first class mail to the Unit Owner at the mailing address as it appears on the records of the Association at the time of notice. No fine will be imposed with this notice. The Courtesy Notice shall include at a minimum the following information:

- The provisions of the governing documents that have been violated;
- The date of the violation or the date the violation was observed;
- The date by which the violation must be corrected – typically ten (10) calendar days from the date of the Courtesy Notice; and
- A description of the process the unit owner must follow to contest the violation notice.

VIOLATION NOTICE:

If the violation is not corrected within the period set forth in the Courtesy Notice, a Violation Notice may be sent to the unit owner via first class mail. The Violation Notice shall include at a minimum the following information:

- The provision of the governing documents that has been violated;
- The date of the violation or the date the violation was observed;
- The date of any Courtesy Notice;
- The date by which the violation must be corrected;
- The right of the unit owner to petition for an administrative hearing on the violation in the Arizona Department of Real Estate pursuant to Arizona Revised Statutes Section 32-2199.01; and
- The fact that a fine to be determined by the Board of Directors may be imposed for failure to correct the violation by the required deadline.

FINE NOTICE:

Depending on the violation, the Board in its sole discretion may determine that a Courtesy Notice and/or a Violation Notice will not be sent to the unit owner and may commence the enforcement process with the mailing of a Fine Notice. If the violation has not been corrected by the date set forth in any Violation Notice, or the Board decides not to send either or both of such notices, the Board may impose a fine pursuant to the then effective Fine Schedule and send the unit owner a Fine Notice which shall include the following information:

- The provision of the governing documents that has been violated and date of the violation or the date the violation was observed;
- The first and last name of the person or persons who observed the violation;
- The dates the Courtesy Notice and the Violation Notice, if any, were sent to the unit owner;
- The right of the unit owner to appeal the Board's decision that a violation has occurred and the manner in which such appeal must be requested or it will be deemed waived;
- A statement that in the event the violation is not cured by the date ten (10) calendar days after the date of the Fine Notice (or by such other date as the Board determines appropriate), the Board of Directors will impose a specified fine effective as of such date and additional fines as set forth in the Fine Schedule if the violation is not cured as set forth in the Fine Notice;
- A copy of the Fine Schedule;
- If applicable, any requirements or special instructions for compliance;
- A statement informing the owner of the Association's right to seek legal and/or equitable action to collect the fine and/or to remedy the noticed violation of the Association governing documents; and
- The right of the unit owner to petition for an administrative hearing on the violation in the Arizona Department of Real Estate pursuant to Arizona Revised Statutes Section 32-2199.01.

The Fine Notice will be mailed certified mail, return receipt requested, and first class mail.

APPEAL PROCESS:

Any unit owner who has received a Fine Notice shall have the opportunity to appear before the Board to appeal the Board's decision that a violation exists. Such appeal right shall be deemed waived if not timely exercised by the unit owner. The appeal process shall be as follows:

- Within ten (10) calendar days following the date of the Fine Notice, the unit owner may appeal the violation decision in writing to the Board and request a hearing on the matter. If the written hearing

request is not received within such ten (10) day period, the unit owner's right of appeal shall terminate as of the end of the tenth day.

- The unit owner shall have the right to appear at the hearing in person or by a representative and to present all pertinent supporting information.
- A unit owner who timely exercises his or her appeal right shall be provided a written notice of the time, date and place of scheduled appeal hearing which shall be conducted in an Executive Session meeting of the Board. In the event the unit owner fails to appear in person or by representative at such scheduled hearing, his or her appeal right shall be deemed waived.
- After completion of the appeal hearing, the Board will make its decision. The unit owner will be informed in writing of such decision within ten (10) calendar days from the date of the appeal hearing.
- In the event the appeal is denied, unless otherwise stated in the Board's written decision, the effective date of the fine shall be retroactive to the date set forth in the Fine Notice.
- All decisions of the Board as to an appeal hearing are final and may not be appealed.

FINES:

- A fine may be assessed in accordance with the then effective Fine Schedule for an uncorrected violation of the governing documents of the Association.
- In the event of a subsequent violation by a unit owner of the same provision of the governing documents within twelve (12) months of a previous violation of such provision, all fines for each such violation shall be doubled and a fine will be assessed for each violation that has occurred during that period.
- The Board of Directors will determine the period for corrective action of a violation on a case-by-case basis.
- Fines are cumulative and will continue without further written notice until the violation is corrected. The violation will be deemed corrected as of the date the unit owner notifies the Board of the correction thereof unless the Board subsequently determines that the violation has not been corrected or that such date is not correct.
- At any time, the Board may exercise the option to pursue corrective action through legal means.

FINE SCHEDULE:

- The initial fine amount shall be **\$25.00**.
- If the violation has not been corrected within fifteen (15) calendar days after the effective date of the imposition of the initial fine, the unit owner shall be assessed an additional fine of **\$50.00**.
- If the violation has not been corrected within thirty (30) calendar days after the effective date of the imposition of the initial fine, the unit owner shall be assessed an additional fine of **\$100.00** and shall be assessed an additional fine of **\$100.00** every fifteen (15) calendar days thereafter until the violation is corrected.
- In lieu of such stepped fine schedule, the Board may in its sole discretion impose (i) a daily fine in such other amount as the Board determines is appropriate due to the nature of the violation for each day a violation continues where the Board determines that due to the nature of the violation such a daily fine is more appropriate; or (ii) a reasonable lump sum fine that the Board determines is appropriate due to the nature of the violation.
- The Board hereby declares that violations of Section 4.15 of the Amended and Restated Condominium Declaration constitute ongoing violations such that there is a separate reoccurring violation for each day a Unit is leased in violation of Section 4.15 of the Amended and Restated Declaration, and, therefore, the Board will assess a separate recurring monetary penalty for each day the Owner's Unit is leased in violation of Section 4.15. For such violations, rather than sending the three violation notices as set forth in the Enforcement Process, the Association will send an initial violation notice followed by a monetary penalty notice. Any instances of leasing the Owner's Unit in violation of Section 4.15 following the date

of the first monetary penalty notice sent to such Owner shall result in the imposition of a recurring daily monetary penalty for each day the Unit is leased in violation of Section 4.16. No initial violation notice must be sent as to subsequent leases by such owner of the Owner's Unit in violation of Section 4.15.

- The Board further declares that in light of the amounts of monies typically received by an Owner each day for leasing the Owner's Unit in violation of Section 4.16, a reasonable monetary penalty for each day of such leasing shall be \$100.00. The Board has concluded that such penalty amount should deter Owners from carrying on such activities in violation of Section 4.15. The Board retains the right to commence legal action to recover any such penalties as well as to at any time obtain an injunction prohibiting an Owner from continuing such violations. The Association further retains the right to recover from the Owner the legal costs and fees incurred by the Association in enforcing the Association governing documents.

GENERAL:

These Enforcement Procedures are intended as a guideline for the Association. The Board retains the right to vary the enforcement process when it in its sole discretion determines that any such variance is appropriate. The Board further retains the right to amend or replace all or any portion of these Enforcement Procedures. The assessment of fines by the Association does not relieve the unit owner from the obligation to correct the violations or comply with Association governing documents. These Enforcement Procedures and the remedies set forth herein do not constitute an election of remedies by the Association which reserves all such remedies available at law and in equity. The Association shall have the right to enforce the Association governing documents through any other remedies available to the Association concurrently with the Enforcement Procedures set forth herein.