WATER WORKS CONDOMINIUM ASSOCIATION, INC.

RULES AND REGULATIONS CC&R VIOLATION AND ENFORCEMENT POLICY

Water Works Condominium Association, Inc. has established the following Enforcement Policy for Covenants, Conditions and Restrictions (CC&R's) violations enforcement, and any applicable monetary penalties for continuing violations. This Policy will be deemed part of the Association Rules and is subject to amendment or modification at any time by majority vote of the Board. This Enforcement Policy for non-monetary violations is adopted in accordance with Arizona Law and the provisions of the CC&R's and Project Documents, as currently in force and effect. The Board of Directors hereby approved the following policy at a duly called meeting of the Board on January 28, 2019.

First Notice

A first notice will be sent to the owner of the property outlining the violation. In the event that the owner of the property is identified as an absentee owner, a copy of the notice may also be sent to the tenant at the property address, should appropriate documentation be provided by the owner. The owner will be given fourteen (14) calendar days to bring the violation into compliance. The first notice shall include a warning, stating that if the violation is not cured within fourteen (14) calendar days, a second letter of violation will be sent. This letter shall also state that the owner may petition the Department of Real Estate pursuant to ARS 32-2199.01.

Second Notice

A second notice will be sent if the owner has not complied with the first notice, or if the violation has returned or has been repeated. The owner will be given an additional seven (7) calendar days to bring the violation into compliance without a monetary penalty. The second notice shall include a warning that if the violation is not cured within those seven (7) calendar days, a third letter of violation will be sent.

Third Notice and Assessment of Initial Monetary Penalty

A third notice will be sent if the owner has not complied with the first and second notices, or if the violation has returned or has been repeated. The third notice will inform the owner that a fee has been assessed in the amount of fifty (50) dollars, plus a certified mailing fee of fifteen (15) dollars; the fine totaling sixty-five (65) dollars. The third notice shall also include a warning that if the violation is not cured within seven (7) calendar days, a fee of one hundred fifteen (115) dollars shall be assessed, which includes an additional monetary penalty of one hundred (100) dollars plus a certified mailing fee of fifteen (15) dollars.

Fourth Notice and Assessment of Additional Monetary Penalty

After the imposition of the initial monetary penalty with the third notice, another monetary penalty will accompany the fourth notice, should the owner not rectify the violation within the noted seven (7) calendar days. The monetary penalty for the fourth notice is in the amount of one hundred fifteen (115) dollars, which is comprised of an additional monetary penalty of one hundred (100) dollars plus a certified mailing fee of fifteen (15) dollars. The fine may be assessed upon inspection if the owner has not corrected or removed the violation, if the violation is

repeated, or has returned. Inspections will be conducted to coincide with the terms of the notices.

Fifth Notice and Assessment of Additional Monetary Penalty

After the imposition of the fourth notice's monetary penalty, another monetary penalty will accompany the fifth notice, should the owner not rectify the violation within the noted seven (7) calendar days. The monetary penalty for the fifth notice is in the amount of two hundred fifteen (215) dollars, which is comprised of an additional monetary penalty of two hundred (100) dollars plus a certified mailing fee of fifteen (15) dollars. The fine may be assessed upon inspection if the owner has not corrected or removed the violation, if the violation is repeated, or has returned. Inspections will be conducted to coincide with the terms of the notices.

Sixth Notice and Assessment of Additional Monetary Penalties

Should the owner continue to avoid rectification of the violation, notices and fines will continue every seven (7) days until a resolution is made. For every notice, a fine will be assessed in the amount of four hundred and fifteen (415) dollars, which is comprised of a four hundred (400) dollar fine and fifteen (15) dollar certified mailing fee. The fine may be assessed upon inspection if the owner has not corrected or removed the violation, if the violation is repeated, or if the violation has returned. Inspections will be conducted to coincide with the terms of notices.

Certified Mailing Fee

In addition to the monetary penalties there will be a fifteen (15) dollar certified mailing fee assessed per violation.

Should a period of time of at least ninety (90) calendar days lapse between violations of the same offense, the next notice will be a first notice.

	Result	Days to Correct Violation
First Notice	Warning- No monetary penalty	(14) days to correct
Second Notice	Warning-No monetary penalty	(7) additional days to correct
Third Notice	FINE: \$50 + \$15 Certified Mailing Fee	(7) days to correct
Fourth Notice	FINE: \$100 + \$15 Certified Mailing Fee	(7) days to correct
Fifth Notice	FINE: \$200 + \$15 Certified Mailing Fee	(7) days to correct
Subsequent Notices	FINE: \$400 + \$15 Certified Mailing Fee	(7) days to correct

Exception to Notice Procedure

Violations posing a threat to the health, safety, and welfare of the community as a whole or any one or more other owners may require immediate action and thus create exceptions to the foregoing notice provisions. Examples of health, safety, and welfare violations include, but are not limited to, the following: accumulation of trash and/or other materials that may attract pests; storing of charcoal or propane BBQ grills; threat of flood or fire damage to neighboring properties; an escaped pet; or a collapsed structure or tree blocking the road or drivers' lines of vision, storage.

Right of Self-Help

The Association has the right (but not the obligation) to enter the owner's property and to provide all maintenance and repairs that are necessary to remove the violation. Entry by the Association and any of its agents is not an actionable trespass. The Association may assess the Owner for the costs of all maintenance and repairs performed by the Association.

Opportunity to be Heard

The Association recognizes each owner's right to explain the reasons why there is a violation of the CC&R's or the other Project Documents, particularly if the violation results in an assessment. Before any fee is assessed, an owner has the opportunity to request a hearing before the Board of Directors. The owner must provide timely <u>written</u> request for a hearing. If the hearing is scheduled, and attended, the owner is bound by the decision of a majority of the Board.

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For Water Works Condominium Association, Inc.	
12/10/2018	
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