



Crossroads Ranch Phase II Property Owners Association

Monetary Penalties for Rules Violations Policy

Adopted: April 19, 2000

Revised: November 17, 2006

Monetary penalties for violations of the CC&R's, Bylaws, Rules and Regulations, and Architectural Guidelines of the Association shall be imposed according to the procedures set forth as follows:

INITIAL VIOLATION NOTICE:

In the event the Board or its agent believes that a violation of the Association's governing documents exists, a written notice will be sent to the Owner at the mailing address as it appears on the records of the Association at the time of notice. The Initial Violation Notice shall include at a minimum the following information (see Appendix A):

- The provisions of the governing documents that are believed to have been violated;
- The general description of the suspected violation;
- The date by which the plan to remedy the suspected violation is to be submitted; and
- The process the owner must follow to contest the notice.

SECOND VIOLATION NOTICE:

If the violation is not corrected or contested within the period set forth in the Initial Violation Notice, a Second Violation Notice will be sent. The Second Violation Notice shall include at a minimum the following information: (see Appendix B):

- The date of the Initial Violation Notice;
- The provisions of the governing documents that have been violated;
- The general description of the violation;
- The date of the violation or the date the violation was observed;
- The name of the person or persons who observed the violation;
- The fact that a monetary penalty to be determined by the Board of Directors may be imposed for failure to correct the violation by the required deadline; and
- The right of the 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.

APPEAL PROCESS:

Any member who has received a Second Violation 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 Owner. The appeal process shall be as follows:

- Within fifteen (15) calendar days following the date of the Second Violation Notice, the Owner may appeal the violation decision in writing to the Board and attend a hearing on the matter. If the written appeal is not received by the fifteenth day or the hearing is not attended the Owner's right of appeal shall terminate
- The Owner shall have the right to appear at the hearing in person or by a representative and to present all pertinent supporting information. Formal rules of evidence are not required.
- An Owner 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 member 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 Owner will be informed in writing of such decision within thirty (30) 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 Letter.
- All decisions of the Board as to an appeal hearing are final and may not be appealed.

FINE NOTICE:

If the violation has not been corrected by the date set forth in the Second Violation Notice and either (i) the Owner has waived the Owner's right to appeal the Board's decision that a violation has occurred or (ii) a hearing has been held and the Board has upheld its decision that a violation has occurred, the Board may impose a fine pursuant to the then effective Fine Schedule and send the Owner a Fine Notice which shall include the following information: (see Appendix C):

- The date the Initial and Second Violation Notices were sent to the Owner;
- The provisions of the governing documents that have been violated;
- The general description of the violation;
- The date of the violation or the date the violation was observed;
- The name of the person or persons who observed the violation;
- A statement that the Board has imposed a monetary penalty for failure to correct the violation by the required deadline;
- If applicable, any requirements or special instructions for compliance;
- A statement that fines will continue to be imposed and will increase without further notice every thirty (30) days as set forth in the Fine Schedule until the violation is corrected;
- A copy of the Fine Schedule;
- 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's governing documents.

FINE SCHEDULE:

- The initial fine amount shall be **\$250** per violation.
- If the violation has not been corrected within thirty (30) days after the effective date of the imposition of the initial fine, the Owner shall be assessed an additional fine of **\$750**.
- If the violation has not been corrected within sixty days after the effective date of the imposition of the initial fine, the member shall be assessed an additional fine of **\$500** and shall be assessed an additional fine of **\$500** every thirty (30) days thereafter until the violation is corrected. A maximum of **\$5,000** per violation per year could be imposed.
- If the violation has not been corrected within one hundred and eighty (180) days after the effective date of the imposition of the initial fine a lawsuit may be filed seeking a personal judgment against the Owner. In addition to awarding the Association a personal judgment against the Owner, a judge may order the Owner to correct the violation at their own expense and the Association may recover attorneys' fees and court costs from the Owner.

MONETARY PENALTY GENERAL INFORMATION:

- Monetary penalties are not imposed to obtain income for the Association but, unfortunately, become necessary to insure compliance to protect and preserve the equities of all Owners.
- The Board of Directors is authorized to establish monetary penalties for violations and they enacted the initial resolution on April 19, 2000.
- Notices will be sent to the Owner at the mailing address as it appears on the records of the Association at the time the notice is being sent.
- A monetary penalty may be assessed in accordance with the then effective Fine Schedule for an uncorrected violation of the governing documents of the Association unless a specific fine has been established for a violation.
- In the event of a subsequent violation by an Owner of the same rule within one (1) year of a previous violation of such rule, the cure period of the Initial & Second Violation Notices will be foregone and a Fine Notice will be sent.
- The Board 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 Owner notifies the Board of the correction thereof unless the Board subsequently determines that such date is not correct.
- The Fine Notice will be mailed certified mail, return receipt requested.
- At any time, the Board may exercise the option to pursue corrective action through legal means

VARIANCE:

This Policy is intended as a guideline for the Association. The Board retains the right to vary the enforcement and fine process when it, in its sole discretion, determines that any such variance is appropriate. The Board also retains the right to amend this Policy from time to time, as it deems appropriate.

Appendix A

**Crossroads Ranch Phase II
Property Owners Association
15407 N. Crossroads Ranch Rd.
Prescott, AZ 86305
(928) 899-1524**

[DATE]

[Owner's Name]
[Mailing Address]
[City, ST Zip]

RE: INITIAL VIOLATION NOTICE FOR _____ Lot # _____

Dear [Owner's Name]:

Since owners of all residential parcels in Crossroads Ranch Phase II Property Owners Association (POA) are held subject to the Declaration of Covenants, Conditions and Restrictions (CC&R's), previously filed with the Yavapai County Recorder. Compliance with the Declaration is in the best interest of all Crossroads Ranch Phase II property owners.

The following activity has been noticed and believe that it is not compliant with the intent of the Declaration, {sections from governing documents}, nor is it in the best interest of the Crossroads Ranch Phase II Owners.

- ◆ {General description of the suspected violation}

Please address this issue and correct or submit plans proposing its remedy within fifteen (15) days, upon receipt of this notice.

If you would like to contest this notice, please notify the President of your desire within fifteen (15) days, upon receipt of this notice. To contest, you must dispute the suspected violation in writing to the Board members prior or attend the next scheduled Board Meeting's Executive Session. The Executive Session is held at 10:00 AM on the 3rd Friday of each month at the Prescott Resort-Coomer Room, 1500 Highway 69, Prescott, AZ.

If you should have any questions, please contact the Board of Directors at the above number. We appreciate your cooperation in working together to make this a wonderful community.

Sincerely,

Board of Directors
Crossroads Ranch Phase II Property Owners Association, Inc.

Appendix B

**Crossroads Ranch Phase II
Property Owners Association
15407 N. Crossroads Ranch Rd.
Prescott, AZ 86305
(928) 899-1524**

[DATE]

[Owner's Name]
[Mailing Address]
[City, ST Zip]

RE: SECOND VIOLATION NOTICE FOR _____ Lot # _____

Dear [Owner's Name]:

This is the SECOND VIOLATION NOTICE notifying you of a violation of the Declaration, which apply to your lot in Crossroads Ranch Phase II Property Owners Association. The INITIAL VIOLATION NOTICE was sent on _____.

It was noted that the following violation of the Declaration, {sections from governing documents} still exists.

- ◆ {General description of the suspected violation}
- ◆ {Date of the violation or the date the violation was observed}
- ◆ {Name of the person or persons who observed the violation}

The Declaration is contractual obligations you assumed when you purchased your property. The Declaration provides that in the event of a violation, the Association's Board of Directors (BOD) may enforce the Declaration by levying fines. Also, Arizona Revised Statute ARS 33-1806 requires an Owner to disclose any violations of the Declaration to any purchaser of the lot before the close of escrow. This can make it difficult to sell a lot, which is in violation.

Please correct this violation within fifteen (15) days, upon receipt of this notice.

If you would like to appeal this notice, please notify the Board, in writing, of your desire within fifteen (15) days, upon receipt of this notice. To appeal, you must attend the next scheduled Board Meeting's Executive Session. The Executive Session is held at 10:00 AM on the 3rd Friday of each month at the Prescott Resort-Coomer Room, 1500 Highway 69, Prescott, AZ. If you do not submit your written request to appeal and attend the hearing, your right to appeal shall be deemed waived. All decision of the Board as to an appeal hearing are final and may not be appealed.

If you should have any questions, please contact the Board of Directors at the above number. We appreciate your cooperation in working together to make this a wonderful community.

Sincerely,

Board of Directors
Crossroads Ranch Phase II Property Owners Association, Inc.

**Crossroads Ranch Phase II
Property Owners Association
15407 N. Crossroads Ranch Rd.
Prescott, AZ 86305
(928) 899-1524**

[DATE]

[Owner's Name]
[Mailing Address]
[City, ST Zip]

RE: FINE NOTICE FOR _____ Lot # _____

Dear [Owner's Name]:

Our records indicate you previously received courtesy Notices on {Initial Notice date} and {Second Notice date} regarding a violation of the governing documents, {sections from governing documents} of the Crossroads Ranch Phase II Property Owners Association. During an inspection of the community, it was noted that the violation still remains, as follows:

Date of violation or date the violation was observed: [Date]

Description: [Name the CC&R or other governing document provision that was violated and a detailed description of the violation]

Person(s) who observed the violation: [Enter full name]

Monetary Penalty: [Amount of fine]

The above-stated monetary penalty has been assessed as a result of such violation. A second monetary penalty will be imposed thirty (30) business days after the date of this letter if the violation has not been cured by such date.

The Association may enforce any monetary penalty imposed pursuant to this Notice by filing a lawsuit seeking a personal judgment against you. Upon the receipt of such judgment, the Association may file the judgment, which will thereupon become a lien against the subjected property. The Association may also avail itself of any other remedies at law or in equity arising from your above-described violation, including without limitation, bringing a lawsuit for injunctive relief, if necessary. In the event litigation is necessary, the Association may be entitled to recover all of its legal fees and costs incurred in connection therewith.

Please understand that it is in the best interest of all property owners who have a vested interest in the Crossroads Ranch Phase II Property Owners Association that a community-wide standard be adhered to in order to present a neat, attractive, and well-manicured community.

If the above-described violation has already been corrected, please notify the Association immediately, so that a follow up inspection can be conducted. If you are unsure what is required to resolve the violation or if you have any other questions regarding this matter, please call the Association. Thank you for your cooperation and prompt attention to this Notice.

Respectfully,
Crossroads Ranch Phase II Property Owners Association

By: _____

Its: _____

cc: CR11 POA Attorney
File

Enclosure: Fine Policy
CC&R page