

CARRIAGE TRAILS HOA
FINE POLICY
RESOLUTION Effective 3/1/2021

Pursuant to the Declaration of Covenants, Conditions Restrictions & Easements ("Declaration"), recorded with the Maricopa County Recorder's Office at Instrument No. 2001-0593854 and any amendments thereto, Carriage Trails HOA ("Association") adopts this Fine Policy for violations of the Declaration, Bylaws, Architectural Design Guidelines or any other Rules and Regulations governing the Association (collectively referred to herein as "Project Documents") and it is intended to supersede and replace any prior fine policy of the Association.

Any Owner, who is found to be in violation of the Project Documents, with the exception of the Owner's failure to pay assessments and other related charges, will be provided a written Notice of Violation communications that includes a description of the violation and any fines assessed in accordance with the schedule below. A Courtesy Notice will be sent first to give the homeowner the chance to correct the violation without incurring a fine. In the event the Owner fails to comply and remedy the violation after the Courtesy Notice, subsequent written notices will be sent in accordance with the schedule of Notices below. If the violation is still not remedied, the Association may cause corrective action to be taken, or take legal action.

The two (2) exceptions to this procedure are violations of putting out bulk trash too early and failure to submit an Architectural Committee request form and obtaining approval before making any improvements to the outside of the house or grounds. For these two violations, there will not be a Courtesy Notice and the first communication will be the First Notice as detailed below which also imposes a fine.

A description of the Notices, beyond the initial Courtesy Notice, is provided below.

COURTESY NOTICE: An Initial Notice of Violation shall be mailed via regular mail to the Owner in violation requesting compliance with the Project Documents within twenty-one (21) days of the date of the Notice. The Notice may inform the Owner that if compliance is not met the Association may cause corrective action (i.e., repairs) to be taken and the related costs incurred by the Association shall become part of the Owner's assessment obligation and secured by a lien against the Owner's Lot. If the violation is Failure to Obtain Architectural Committee approval prior to making permanent or semi-permanent alterations to property or premises pursuant to the Architectural Committee Rules, or if the violation is for putting out bulk trash too early, the Courtesy Notice will NOT be sent. Rather, the first communication will be the First Notice as described below.

FIRST NOTICE: The First Notice of Violation shall be mailed via regular mail to the Owner in violation requesting compliance with the Project Documents within fourteen (14) days of the date of the First Notice. The First Notice may inform the Owner that if compliance is not met the Association may cause corrective action (i.e., repairs) to be taken and the related costs incurred by the Association shall become part of the Owner's assessment obligation and secured by a lien against the Owner's Lot. A Fine will be levied upon First Notice, in accordance with the attached Fine Schedule.

SECOND NOTICE: If the violation still exists, a Second Notice of Violation shall be mailed via regular mail to the Owner in violation within ten (10) days of the date of the Second Notice. The Second Notice will also inform the Owner that a Fine will be levied in accordance with the attached Fine Schedule if compliance is not met.

THIRD NOTICE: If the violation still exists, a Third Notice of Violation shall be mailed via regular mail to the Owner in violation demanding compliance with the Project Documents within ten (10) days of the date of the Third Notice. The Third Notice will also inform that Owner of the Fine that has been levied and will state that an additional Fine will be levied in accordance with the attached Fine Schedule if compliance is not met.

FOURTH NOTICE: If the violation still exists, a Fourth Notice of Violation shall be mailed via regular mail to the Owner in violation demanding compliance with the Project Documents within ten (10) days of the date of the Fourth Notice. The Fourth Notice will also inform that Owner of the Fine that has been assessed and will state that additional Fines will be levied in accordance with the attached Fine Schedule until the violation is resolved.

CONTINUING VIOLATIONS: If the violation continues to exist without resolution after the Fourth Notice of Violation, additional Notices may be sent to the Owner demanding compliance with the Project Documents within ten (10) days of the subsequent Notices imposing a Fine in accordance with the attached Schedule of Fines. A Fine will be levied every ten (10) days until the violation is resolved. If the same type of violation recurs within twelve (12) months after it has been corrected, the Association may start the process above with the next scheduled Notice of Violation. After the twelve (12) months, the Board may decide to start with the First Notice of Violation rather than the courtesy notice since it is a recurring violation.

Notwithstanding the foregoing, nothing in this Policy will limit the Association's right to immediately pursue any and all legal remedies to address an Owner's violation of the Project Documents and the offending Owner shall be obligated to pay court costs and reasonable attorney fees incurred by the Association. The Association also reserves the right to pursue any other legal action permitted by law or the Project Documents in addition to this Policy.

APPEAL PROCESS

A. Any Owner who receives a Notice of Violation that the condition of the Owner's Lot is in violation of the Project Documents may provide the Association with a written response contesting the Notice of Violation by sending the response by certified mail within twenty-one (21) days from a Courtesy Notice or fourteen (14) days from the date of any subsequent Notice.

B. Any Owner contesting a Notice of Violation may also request a hearing with the Association's Board of Directors that will take place during the Board's Executive Session meeting unless the Owner specifically requests to meet with the Board during the Open Meeting.

C. Following the appeal hearing, the Board of Directors will render a binding decision and notify the Owner in writing within ten (10) business days.

D. All decisions of the Board are final and may not be further appealed.

E. If the appeal is denied, the homeowner is required to bring the violation into compliance within ten (10) days. If the violation still exists after ten (10) days, the violation will be treated as a continuing violation and the Owner may continue to receive Violation Notices every ten (10) days thereafter with accompanying Fines in accordance with the attached Fine Schedule.

CARRIAGE TRAILS HOA
FINE SCHEDULE

Subject to the requirements of the Association's Fine Policy, the Fine Schedule shall be as follows:

Category of Violation ¹	Severity	# of Notices ²	Fined	Examples ³
Architectural	\$\$\$\$	1	\$50	Unapproved permanent or semi-permanent alteration (i.e., building, fence, wall, or other structures, using unapproved plants or unapproved paint colors.
		2	\$150	
		3	\$250	
		4+	\$500	
Serious Nuisances and Property Damage	\$\$\$	1	\$50	Health and safety issues; serious disruptive behavior; non-residential (i.e., commercial) use; damage to the NAOS Area
		2	\$100	
		3	\$150	
		4+	\$200	
Bulk Trash Pickup	\$\$\$	1	\$50	Putting out bulk trash too early.
		2	\$100	
		3	\$150	
		4+	\$200	
Parking	\$\$-\$\$\$	1	\$0	Non-operable motor vehicles; unregistered vehicles; utility trailers (including boats); oversized vehicles, parking off pavement or on street overnight except RV trailers at allowance of 2 day loading and 2 day unloading.
		2	\$50	
		3	\$100	
		4+	\$150	
Maintenance	\$	1	\$0	Failure to maintain Lot (i.e., weeds, bushes, trees, trash, debris, oil stains)
		2	\$25	
		3	\$50	
		4+	\$100	
Smaller Nuisances	\$	1	\$0	Pet droppings, noise
		2	\$25	
		3	\$50	
		4+	\$100	

1. Some violations may fall into more than one Category of Violation. The Board shall have the discretion to determine which Category best describes the violation at issue.

2. A fine issued shall correspond to the number of violation notices and shall be owed cumulatively by the Owner. The level of the notice shall also be cumulative for the same type of violation, i.e. the number of times the same violation occurred regardless of any previous violations being corrected within the time period specified under **Continuing Violations**.
3. The examples listed are not intended to be limiting. Each Category of Violation may include other specific types of violations not listed. Failure to Obtain Architectural Committee approval prior to making permanent or semi-permanent alterations to property or premises shall be a \$50 violation on First Notice and shall escalate accordingly, as necessary.