

**RESOLUTION OF THE BOARD OF DIRECTORS
DESERT SKYLINE ESTATES HOMEOWNERS ASSOCIATION**

**ADOPTING GENERAL VIOLATION FINE POLICY AND APPEAL PROCESS
AND
AMENDMENT TO DEVELOPMENT GUIDELINES**

WHEREAS, the Board of Directors of the Desert Skyline Estates Homeowners Association (the “Association”), an Arizona nonprofit corporation, has taken the following action at a duly called meeting of the Board;

WHEREAS, the Association is governed by the Declaration Conditions, Covenants and Restrictions for Desert Skyline Estates recorded in the Official Records of the Maricopa County Recorder’s Office at Instrument No. 1984-241535, as amended (the “CC&Rs”);

WHEREAS, the CC&Rs at Section 3.10 empowers the Board to approve a system of fines and penalties that shall be enforceable as Special Assessments;

WHEREAS, the CC&Rs at Section 10.8 empowers the Board to approve, as part of the Design Guidelines (“Development Guidelines”), additional architectural and landscape standards, rules and regulations for the community;

WHEREAS, the Board wishes to adopt a system of fines and penalties and to amend the Development Guidelines.

BE IT THEREFORE RESOLVED that the following shall be adopted by the Board of Directors and **effective immediately** as follows:

1. The Board of Directors adopts the General Fine Policy and Appeal Process, as set forth in Exhibit A, herein.
2. The Board of Directors amends Section II.15.2 of the Development Guidelines as set forth in Exhibit B, herein. Except as amended in Exhibit B, herein, the Development Guidelines shall remain in full force and effect.

IN WITNESS WHEREOF, a majority of the Board of Directors adopted this Resolution at a duly called meeting of the Board of Directors at which quorum was present held on ____11/13/2024 at 17:30_____.

EXHIBIT A
GENERAL VIOLATION FINE POLICY AND APPEAL PROCESS

DESERT SKYLINE ESTATES HOMEOWNERS ASSOCIATION

GENERAL VIOLATION FINE POLICY AND APPEAL PROCESS

Effective Dec. 1st, 2024

The following Fine Policy and Appeal Process is adopted pursuant to Arizona law under the Board's rule-making power for the Desert Skyline Estates Homeowners Association pursuant to the Declaration Conditions, Covenants and Restrictions for Desert Skyline Estates at Section 3.10, which provides that the system of fines and penalties shall be enforceable as Special Assessments:

COURTESY (FIRST) NOTICE: The Association will mail the Member a courtesy (first) notice of violation requesting compliance within fourteen (14) days. The Association will not assess the Member a fine in connection with a courtesy notice. The courtesy notice will provide that if the violation is not cured as requested by the courtesy notice, or reoccurs at any time, a \$100.00 fine will be assessed if a SECOND NOTICE is issued.

SECOND NOTICE: If violation still exists fourteen (14) days after the date of the courtesy notice, a second notice requesting compliance within fourteen (14) days shall be mailed to the Owner. A **\$100.00 FINE** will be assessed with the second notice.

THIRD NOTICE: If violation still exists fourteen (14) days after the date of the second notice, a third notice requesting compliance within fourteen (14) days shall be mailed to the Owner. A **\$150.00 FINE** will be assessed with the third notice.

CONTINUING VIOLATIONS: If the violation continues without resolution fourteen (14) days after the date of the third notice, a **FINE of \$200.00** shall be assessed **every fourteen (14) days** until the violation is resolved.

CONTENT OF NOTICES: The notices will state the process the Owner must follow to request an appeal/hearing to contest the notice, and will also give notice of the Owner's right to petition for an administrative hearing with the Arizona Department of Real Estate pursuant to A.R.S. §32-2199.01.

FINES: No fine shall be imposed without first providing a notice of the violation from the Association to the Owner describing the violation and stating that failure to correct the violation within fourteen (14) days or after ***another recurrence of the same violation within three (3) months*** of the original violation shall make the Owner ***subject to imposition of a fine***. Failure to pay any fine shall subject the Owner to the same potential penalties and enforcement as failure to pay any assessments.

SUPPLEMENTAL FINE POLICIES/SCHEDULES: The Board of Directors may adopt supplemental fine policies/schedules (or amend this Policy) to address specific violations in the community (i.e.

parking, rentals, architectural violations, etc.). If a supplemental fine policy is not adopted, this general fine policy and schedule shall control.

Design/ Development Guidelines:

Failure to Obtain Approval From the Design Review Committee: Pursuant to Section 10.8 of the Declaration, a failure to obtain required approved from the Design Review Committee may result in a fine of up to \$10,000.00.

Commencement of Construction: A violation of Section II.15.3 of the Development Guidelines based on a failure to satisfy all conditions and commence the construction, reconstruction, refinishing, alterations of other work according to approved plans within one year after commencing construction will result in a fine of \$5,000.00 per month until construction is completed.

INJUNCTIVE RELIEF: If a violation is not cured after the Third Notice, the Board of Directors may request the Association's attorneys to file an action seeking Injunctive Relief against the Owner to cure the violation(s). However, this Fine Policy shall not limit the Board of Directors right to seek immediate Injunctive Relief *at any time* regardless of the presence or absence of notices or fines hereunder, for any violation that the Board of Directors determines in its sole and absolute discretion requires such action.

SELF HELP: Pursuant to the CC&Rs at Section 11.18, the Association may enter any Lot which is violation and may correct such violation at the expense of the Member owning such Lot. Such expenses shall be a Special Assessment secured by a lien upon such Lot enforceable in accordance with Section 5 of the Declaration.

BOARD DISCRETION: Notwithstanding the above provisions of the fine/violation policy, the Board at its sole discretion may at any time assess a fine in an amount up to \$2,000 for any incident the Board deems to be egregious, dangerous, that may threaten the life, health, safety, or welfare of any person, resident or owner, or that causes detriment or damage to any Association or other Owner's property. The Board may levy this fine despite any past violation history or lack thereof.

The Board shall consider the fines set forth herein to constitute damages sustained by the Association, and are intended to compensate the Association for the administrative burden of addressing the violation and the adverse impact of the violation on the community.

The Board of Directors reserves the right to deviate from the fine amounts set forth herein if the Board finds good cause to do so. The Board also reserves the right to pursue any and all other remedies set forth in the CC&Rs at the same time or in lieu of levying the fines set forth in this Fine Policy. This includes turning a matter over to the Association's legal counsel.

APPEAL PROCESS

- When a violation notice is sent to an Owner, such notice shall include a statement notifying the Owner that he/she may seek an APPEAL.
- When an Owner desires to appeal a violation, he/she must so notify the Board of Directors in writing within ten (10) days after the date of the violation notice.
- Appeals shall demonstrate *extenuating circumstances* that require deviation from the CC&Rs and/or guidelines.
- Appeal shall include all pertinent backup information to support the existence of the *extenuating circumstance*.
- All decisions of the Board of Directors are final and may not be further appealed.
- Any appeal that does not meet the above requirements shall not be heard by the Board of Directors and shall be considered *DENIED*.
- The Owner appealing the violation will be given written notice that a hearing on the appeal is scheduled.
- The appeal shall be heard in Executive Session unless the Owner requests otherwise.
- Lengthy discussions are not a part of an appeal process.
- The Owner who is appealing will be asked to state their case and present any applicable documentation.
- Each Board Member will have the opportunity to ask the Owner specific questions regarding the appeal.
- Upon completion of the question and answer period, the Board President will state that the appeal has been heard and the Board of Directors will make their decision in closed session. Written Notice of the Board's decision will be delivered to the Owner within seven (7) working days.
- If the appeal is denied, the Owner must bring the violation into compliance within fourteen (14) days. If the violation still exists after fourteen (14) days, the Owner shall be subject to the Fine Policy as outlined above until the violation is corrected. In addition, the Board of Directors may seek legal action to remedy the violation. All fees and costs of legal action will be billed to the Owner as a Special Assessment and collected in the same manner as assessments pursuant to Section 5.4.4 of the Declaration.

APPROVED, this **Thirteenth** day of **November 2024**.

DESERT SKYLINE ESTATES HOMEOWNERS ASSOCIATION

EXHIBIT B
Amendment to Development Guidelines

Section II.15.2 of the Development Guidelines is hereby amended as follows additions are **bolded and underlined**:

II.15.2 If the Owner shall fail to comply with this paragraph, any approval given shall be deemed revoked unless, upon the written request of the Owner made to THE COMMITTEE prior to the expiration of said one-year period and upon a finding by THE COMMITTEE that there has been no change in circumstances, the time for such commencement is extended in writing by THE COMMITTEE. **The written request and any extension approved in writing by THE COMMITTEE must include a specific date for the completion of construction, reconstruction, refinishing, alterations or other approved work not to exceed ninety (90) days.**