

**Purpose:** To ensure compliance with the Association's Governing Documents (including the Articles of Incorporation, By-Laws, CC&Rs, Rules and Regulations) and the laws of the State of Arizona, ARS 33-1803, and to maintain, preserve, enhance, and protect the property values and assets of the community.

- 1. COURTESY NOTICE OF VIOLATION: The Owner shall be advised in writing with a Courtesy Notice of Violation citing the provision violated and corrective action required. The owner will be given twenty one (21) calendar days to correct the violation, contest the notice pursuant to statute or request an opportunity to be heard. The number of days given to correct the violation may be increased in the discretion of the Board.
- 2. FIRST NOTICE OF VIOLATION: If the Owner does not comply with the request in the Courtesy Notice of Violation, the Association will send a First Notice of Violation that will specify (a) the provision that has allegedly been violated, (b) the date the violation was observed, (c) the monetary penalty that will be assessed (see schedule below) against the Owner if the violation is not cured, (d) the process the Owner must follow to contest the Notice, including the Owner's right to request and administrative hearing with the Arizona Department of Real Estate, and shall notify the Owner of their right to be heard. The owner will be given ten (10) business days to correct the violation, contest the notice pursuant to the statute or request an opportunity to be heard.
- 3. **SECOND NOTICE OF VIOLATION**: If after ten (10) business days of sending the First Notice, the Owner does not comply and does not request an opportunity to be heard, the Association will send a Second Notice of Violation which will specify (a) the provision that has allegedly been violated, (b) the date the violation was observed, (c) the monetary penalty (see schedule below) that will be assessed against the Owner if the violation is not cured, (d) the process the Owner must follow to contest the Notice, including the Owner's right to request and administrative hearing with the Arizona Department of Real Estate, and shall notify the Owner of their right to be heard. The Owner will be given ten (10) business days to correct the violation, contest the notice pursuant to statute or request an opportunity to be heard.
- 4. **FINAL NOTICE OF VIOLATION**: If after ten (10) business days of sending the Second Notice of Violation, the Owner does not comply, does not contest and does not request an opportunity to be heard, the Association will send a Final Notice which will specify the amount of the monetary penalty (see schedule below), and/or turn the matter over to legal counsel for legal action. The Final Notice will be sent to the Owner by Certified Mail with a Return Receipt acknowledgement by regular U.S. mail service.
- 5. LEGAL: Nothing as set forth above will limit the Board's right to take immediate legal action at any time, regardless of the presence or absence of notices hereunder, for any violation that the Board of Directors determines in its sole and absolute discretion requires immediate legal action.
- 6. If the violation ceases but reoccurs again within a three (3) month period from the date of the initial violation, it will be considered a recurring violation from the prior offense.

## COMPLIANCE POLICY MONETARY PENALTY SCHEDULE

Courtesy Notice: No Fine

First Notice of Violation: \$50.00

Second Notice of Violation: \$75.00

Final Notice of Violation: \$100.00

Further action to be determined by the Board to include legal action or other options as allowed by the Association's Governing Documents (including the Articles of Incorporation, By-Laws, CC&Rs and the Rules and Regulations) and the laws of the State of Arizona, ARS 33-1803.

Approved and Adopted by the Prescott Country Club - Property Owners Association Board of Directors on **August 9**, **2023**