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**RESOLUTION OF THE BOARD OF DIRECTORS
PUEBLO BONITO COMMUNITY ASSOCIATION, INC.
RENTAL RESTRICTION ENFORCEMENT POLICY**
Adopted by the Board of Directors

At a duly called and noticed meeting of the Board of Directors on MAY 10, 2023, the Board resolved as follows:

WHEREAS, the Board of Directors of the Pueblo Bonito Community Association, Inc. (hereafter, the "Association") has recognized a need to implement a policy concerning violations of the Amendment to the Declaration of Covenants, Conditions, and Restrictions for Pueblo Bonito, recorded at recording number 2023-0041320, records of Maricopa County, AZ (the "Rental Restrictions"); and

WHEREAS, the Board of Directors desires to provide notice to the members of the Association of the implementation of this new Enforcement Policy.

BE IT THEREFORE RESOLVED that the Board of Directors, in full compliance with the Restrictions, hereby adopts the following policy:

POLICY PARAMETERS:

- The Association will take the Actions outlined below for violations of the Association's Rental Restrictions. It is noted that the Association operates on a six (6) month reoccurring violation standard. This means that if a violation is corrected during the action steps below but reoccurs in a six (6) month period from the latest violation, the action step will pick up where it was last and proceed forward.
- The progression of the action steps will not re-set until a property has been free of said violation for six (6) months.
- **Violations of the Rental Restrictions will be addressed by the imposition of monetary penalties and legal action. Monetary penalties shall be imposed pursuant to the following:**

ACTION 1: An owner whose property is found to be in violation of the Rental Restrictions will be notified in writing, either by the Association's Board of Directors or by the Association's managing agent, sent by mail or hand delivered, of the nature of the violation and informing the owner that if said owner does not comply with the Rental Restrictions, a fine of \$1,000 per day will be imposed by the

Association on the owner and said owner's gate transponder will be deactivated for a period of 14 days.

ACTION 2: If after the letter referenced in Action 1. the owner continues to violate the Restrictions, a fine of \$1,000 per day will be imposed by the Association on the owner's account, said owner's gate transponder will be deactivated for a period of 14 days and the owner will be referred to the Association's attorney and, pursuant to the CC&Rs, any legal fees expended by the Association's attorney will be placed on the owner's account.

- **THE ASSOCIATION, HOWEVER, RESERVES THE RIGHT, IN THE SOLE DISCRETION OF THE BOARD, TO REFER A VIOLATION OF THE RESTRICTIONS DIRECTLY TO THE ASSOCIATION'S ATTORNEY WITHOUT WRITTEN NOTICE IF THE VIOLATION IS OF A NATURE THAT REQUIRES IMMEDIATE ACTION BY THE ASSOCIATION'S ATTORNEY.**

This resolution and policy is not intended by the Board of Directors to preclude any other enforcement remedy the Association may possess at law or in equity with respect to any violation of the governing documents of Association.

All legal, collection and other expenses incurred by Association to obtain compliance of a member with the Rental Restrictions or other provisions of the governing documents will be the obligation of the owner pursuant to the CC&Rs.

AN OWNER MAY APPEAL ANY VIOLATION AS FOLLOWS:

1. Any request for an appeal hearing shall be in writing and be received by the Association in care of the address provided in the initial notice. This must be mailed by certified mail.

2. The appeal shall be received (by certified mail) within ten (10) days of the date of initial notification. In the event a timely request for a hearing is received, any costs of enforcement or fines will be held in abeyance pending the hearing, lack of success at the hearing will result in all interim costs of enforcement and fines becoming due and payable.

3. The appeal must include all pertinent information supporting the existence of the extenuating circumstance.

4. ALL DECISIONS OF THE BOARD OF DIRECTORS ARE FINAL AND MAY NOT BE FURTHER APPEALED.

BE IT ALSO RESOLVED, that this resolution is included in the books and records of Association and that a copy of this resolution is sent to all homeowners in the Association.

I hereby acknowledge that this document was revised and adopted by a majority vote of the Board of Directors on MAY 10, 2023.

PUEBLO BONITO COMMUNITY ASSOCIATION, INC.
an Arizona Non-Profit Corporation

By: Norman Harbin
Its: President

State of Arizona)
) ss.
County of Maricopa)

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me this 12 day of May, 2023, by Norman Harbin, the President of Pueblo Bonito Community Association, Inc., for an on behalf of the corporation.

[Signature]

Notary Public

My Commission Expires:
June 18, 2026

