

EXHIBIT B
MONETARY PENALTY GUIDELINES
Effective 12/3/ 2022

- A. General Penalty. Except as otherwise specifically provided herein, and subject to additional Monetary Penalties for Recurring Violations pursuant to Section 4 below, a default monetary penalty of \$50.00 is applicable to all violation(s) of the Governing Documents by an Owner, his/her tenants, guests or invitees.
- B. Monetary Penalties for Specific Violations. The Board may establish specific presumptive monetary penalties, subject to additional penalties for Recurring Violations pursuant to Section D below, for particular types of violations may be identified in the Declaration or Rules and Regulations.
- C. Monetary Penalties for Serious Violations. The Board may impose other monetary penalties that the Board believes are reasonable and commensurate with the nature of a “serious violation” of the Governing Documents. A “serious violation” is defined as an action or condition that poses a significant and severe risk of harm to persons or property. Before imposing such a penalty, the Board must provide the Owner with the following information in writing in the Notice of Hearing:
1. the amount of the monetary penalty sought to be imposed, and
 2. the factors or parameters used by the Board to determine the amount of the monetary penalty, including but not limited to the following:
 - i. The seriousness of the violation(s);
 - ii. Whether this is a recurring violation(s);
 - iii. Impact of the violation on property values (if any);
 - iv. Any extenuating circumstances, and/or steps taken by the Unit Owner to abate or prevent re-occurrence;
 - v. Whether the amount of the monetary penalty being imposed is sufficient to obtain compliance based on the facts;
 - vi. Whether any non-monetary penalty is being imposed.
- D. Recurring Violations. There are three instances when an additional monetary penalty may be imposed for recurring violations of the same rule or restriction in the Governing Documents:
1. Escalated Penalty. If a violation of the same rule or restriction in the Governing Documents reoccurs within 60 days of: (a) the initial imposition of a monetary penalty for that violation, OR (b) the date of the last occurrence of the same violation, whichever is later; the Board may impose an additional monetary penalty equal to either: 1) double the amount of the last monetary penalty imposed, or 2) the amount of last monetary penalty imposed PLUS an additional \$100.00, whichever is less.
 2. Duplicate Penalty. If an Escalated Penalty does not apply, and a violation of the same rule or restriction in the Governing Documents reoccurs within twelve months of the date of the last occurrence of the same violation, the Board may, without an additional hearing, impose another monetary penalty equal to the amount of the last monetary penalty imposed. Escalated penalties may then resume if applicable.

3. Daily Penalty. If a violation of a rule or restriction in the Governing Documents is of a kind or type that reoccurs continuously without interruption for more than a single day, the Board may impose the applicable General or Specific Penalty PLUS an additional Daily Penalty of no more than \$50.00 per day for continuing violations.

- E. Other Enforcement Remedies. The Board's decision whether to impose a fine in accordance with the provisions above does not limit in any way the authority and discretion of the Board to take other enforcement actions in lieu of, or in addition to, the monetary penalties, in accordance with the Governing Documents.

- F. Delinquency of Penalty. Any monetary penalty imposed, which has not been paid within fifteen (15) days of the date imposed shall be delinquent and a late charge of \$25.00, may be added to the monetary penalty.

- G. Collection of Penalty. Unpaid monetary penalties may be enforced and collected through further legal action, subject to additional attorneys' fees and legal expenses. The Association has a lien for monetary penalties and associated late charges, attorney fees and costs, imposed for non-compliance with the Governing Documents after the entry of a judgment in a civil suit for such monetary penalties, late charges and associated attorney fees and costs, by a court of competent jurisdiction, and the recording of that judgment in the office of the Pima County Recorder. The Association may collect the amounts due under the judgment at the time of the subsequent conveyance of the Lot (subject to timely renewal), or at any time prior to conveyance of the Lot, by any lawful means, except that the lien for monetary penalties may not be foreclosed.