

**MOUNTAINVIEW RANCH NORTH HOMEOWNERS ASSOCIATION
POLICIES AND PROCEDURES FOR
IMPOSITION OF MONETARY PENALTIES**

PREFACE

Pursuant to A.R.S. § 33-1803, the Board of Directors of the Mountainview Ranch North Homeowners Association (“Association”) has adopted these Policies and Procedures providing for notice and an opportunity to be heard to an owner (“Owner” defined in the Declaration cited below) prior to the imposition of a monetary penalty for certain violations of the Declaration of Homeowner Benefits and Covenants, Conditions and Restrictions for Mountainview Ranch North recorded at Instrument No. 2002-0408223 in the records of Maricopa County, Arizona, as amended from time to time, and any tract declaration or plat governing any portion of Mountainview Ranch North (collectively, “Declaration”), or the Mountainview Ranch Guidelines for Community Living (“Guidelines”) adopted by the Board of Directors of the Association.

I. NOTICE OF VIOLATION (“NOV”) PROCESS

FIRST NOV – COURTESY LETTER

The Board of Directors, the Association property manager or any person acting at the direction of the Board of Directors shall provide a Courtesy Letter to an Owner regarding a violation of the Declaration or Guidelines. Such courtesy letter shall demand permanent correction of the violation by the Owner on or before fourteen (14) days of the

SECOND NOV – FINAL COURTESY LETTER

If, after Fifteen (15) days from the date of the first NOV, the Board of Directors, the Association property manager or any person acting at the direction of the Board of Directors or the Association property manager determines the subject matter of the NOV remains unresolved or has been violated again by an Owner or the Owner’s family, tenants or guest, and that the imposition of a monetary penalty is an appropriate enforcement action for the Association to take to obtain compliance with the Declaration or the Guidelines, the Board of Directors, the Association property manager or any other person acting at the direction of the Board of Directors or the Association property manager may serve a second and final courtesy letter upon the Owner. The first NOV will set a monetary penalty of \$75 for a violation, contingent upon an opportunity to be heard as set forth below. Subsequent NOV will set forth progressive monetary penalties in increments of \$30. The following table exemplifies progressive fines for continuing or subsequent violations. The interval between each progressive NOV shall not be less than fourteen (14) calendar days. If an Owner remains in continual compliance for a six-month period for the subject matter of a NOV, a subsequent violation for the same matter will result in resetting the fine process, beginning with the courtesy letter followed by progressive NOVs as set forth below.

MOUNTAINVIEW RANCH NORTH HOMEOWNERS ASSOCIATION ~ RESIDENTIAL FINE SCHEDULE ~		
NOTICE #	DESCRIPTION	MAXIMUM FINE
1	Courtesy Letter	No Fine
2	First NOV	\$ 75.00
3	Second NOV	105.00
4	Third NOV	135.00
5	Fourth NOV	165.00
6	Fifth NOV	195.00
7	Sixth NOV	225.00
NOV'S SUBSEQUENT TO THE SEVENTH NOTICE SHALL BE INCREASED IN INCREMENTS OF \$30.00		

B. FORM OF NOV. A NOV shall contain:

1. A description of the violation.
2. The maximum amount of the monetary penalty that may be imposed by the Board of Directors with respect to each NOV as set forth in Section I.A.
3. A statement that the Owner may request in writing a hearing on the subject of the violation before the Board. In order to be heard, the Association must receive a written request for such a hearing within fourteen (14) calendar days after the date of the NOV by marking the appropriate portion of the NOV requesting a hearing, signing the NOV, and returning the NOV to the Association. The Owner should retain a copy of the NOV. An Owner's failure to request a hearing within the prescribed time period and by the prescribed manner shall be deemed a waiver and forfeiture of the Owner's right to a hearing with respect to the NOV.
4. A statement that (1) if the Owner fails to timely request to be heard as prescribed, the amount of the monetary penalty as set forth in the NOV shall be due within fourteen (14) calendar days after the date of such NOV, and (2) if the Owner requests to be heard as prescribed, any amount of monetary penalty imposed by the Board of Directors shall be due within fourteen (14) calendar days after the date of the Board's Notice of Decision.
5. Information concerning the manner in which a monetary penalty imposed by the Board of Directors may be enforced.

C. SERVICE. A NOV shall be served either by personal delivery to the Owner named in the NOV or by sending the NOV to the Owner by United States mail, postage prepaid. A NOV served by mail shall be deemed to have been received by the Owner to whom the NOV was addressed on the earlier of the date the NOV is actually received or two (2) days after the NOV is deposited in the United States mail, postage prepaid. A NOV shall be delivered or mailed to the Owner at the address of the Owner as shown on the records of the Association. If more than one person or entity owns a lot or parcel, a NOV to one of the joint Owners shall constitute notice to all of the joint Owners. A Notice of Decision (if necessary) will be served in the same manner as a NOV.

II. HEARING

- A. REQUEST FOR HEARING. The NOV shall indicate that the Owner may request in writing a hearing on the subject of the violation before the Board. In order to be heard, the Association must receive a written request for such a hearing within fourteen (14) calendar days after the date of the NOV by marking the appropriate portion of the NOV requesting a hearing, signing the NOV, and returning the NOV to the Association. An Owner's failure to request a hearing in this manner shall be deemed a waiver and forfeiture of the Owner's right to a hearing with respect to the NOV.
- B. CONDUCT OF HEARING. The Board shall conduct a properly and timely requested hearing. Upon conclusion of the hearing, the Board shall determine, in its sole and absolute discretion, whether a violation of the Declaration or the Guidelines occurred and, if so, the amount of the monetary penalty, if any, to be imposed for such violation. Such monetary penalties may not exceed the prescribed amounts set forth in Section I.A herein. The Board shall serve a Notice of Decision upon the Owner with the Board's decision. If the Owner fails to appear at the hearing, then the Owner shall be deemed to have waived his right to a hearing with respect to the violation.

III. ENFORCEMENT

- A. ENFORCEMENT OF MONETARY PENALTY. Unless a later due date is set by the Board of Directors, (1) if the Owner fails to timely and properly request to be heard as prescribed, the amount of the monetary penalty as set forth in the NOV shall be due within fourteen (14) calendar days after the date of such NOV, and (2) if the Owner requests to be heard as prescribed, any amount of monetary penalty imposed by the Board of Directors shall be due within fourteen (14) calendar days after the date of the Board's Notice of Decision. Any monetary penalties imposed and any charges for late payment of same shall be enforceable and collectible by civil suit in a court of competent jurisdiction and the recording of a judgment for same.
- B. OTHER ENFORCEMENT ACTION. In addition to or in lieu of the imposition of any monetary penalty for a violation of the Declaration or the Guidelines, the Board of Directors may proceed at any time with any other enforcement action available to the Association under the Declaration or at law or in equity. Enforcement actions available to the Association may be exercised separately or concurrently, and the exercise of one enforcement action shall not constitute an election of remedies or be a waiver of the right of the Association to take any other enforcement action.
- C. PRIOR POLICIES AND PROCEDURES. These Policies and Procedures shall supersede Policies and Procedures for the Imposition of Monetary Penalties adopted by previous Board of of Directors. In its discretion, the Board of Directors may amend or repeal these and prior Policies and Procedures.