

HARMON RANCH HOMEOWNERS ASSOCIATION

P.O. BOX 11330
TEMPE, ARIZONA 85284-0023
Telephone: (480) 345-0046

IMPORTANT! PLEASE READ CAREFULLY

June 16, 2004

Dear Harmon Ranch Association Members:

The Arizona Legislature passed important legislation, ARS 33-1801 through 1806. This statute grants power to boards of directors to assess monetary penalties for violations of the governing documents (CC&R's, By-Laws, Articles and/or Rules and Regulations) only after notice and an opportunity to be heard.

This legislation is a very positive opportunity for fair enforcement of our documents that, in most cases, should eliminate the need for utilizing outside attorneys for CC&R enforcement and significantly decrease administrative costs. i.e., inspections, photos, postage, etc. We need to save money, not waste it. The constant overall focus of the board is to maintain and enhance the property values within the Association. Most of us strive to abide by the governing documents that we accepted when we purchased our home. The few that do not, bring our property values down and make it difficult for the rest of us.

Careful consideration has been given to enact this law and how it is applied by our Association. The enclosed policy will provide you the information. Please take the time to read it carefully and file it for future reference.

This policy will become effective on **July 1, 2004**. Should you have any questions, you may call Gina Larsen, at Lepin and Renahan Management at (480) 345-0046.

Sincerely,

Board of Directors

P. S. This bill also requires that except for a sale for which a Public Report is issued by the Arizona Department of Real Estate or a sale that is exempt from the Public Report requirement and unless otherwise waived in writing by the purchaser, an owner shall furnish to the purchaser specific information. Included in this information is a statement as to whether the owner has knowledge of any alterations or improvements to the lot that violate any provision of the declaration (CC&R's).

**HARMON RANCH HOMEOWNERS ASSOCIATION
PROCEDURE FOR ENFORCING
MONETARY PENALTIES FOR RULES VIOLATIONS**

Approved: June 1, 2004

Effective: July 15, 2004

Monetary penalties for violations of the CC&R's, Bylaws and rules of the Association shall be imposed uniformly according to the procedure set forth as follows:

Written notice will be sent to the owner at the mailing address as it appears on the records of the association at the time of the notice. The FIRST NOTICE shall be a violation letter with no monetary penalty imposed and shall give the owner 14 days to comply. The notice shall include:

- 1) The nature and date the violation was observed.
- 2) A date for correction of the violation.
- 3) The fact that a monetary penalty may be imposed for failure to correct the violation or for repeat violations of the same rule as determined by the Board. The amount of the monetary penalty will be given.

If the violation is not corrected within the given date or if the same violation reoccurs within a ninety-day (90) period of the previously written notice, a SECOND NOTICE will be sent. The notice shall include:

- 1) The nature and date of the violation and the date of the first notice.
- 2) A date for correction of the violation.
- 3) The fact that a monetary penalty will be imposed, without further notice, for failure to correct the violation or for repeat violations of the same rule as determined by the Board. The amount of the monetary penalty will be given.
- 4) A statement advising the owner of the manner in which the owner will be provided with an opportunity to be heard with respect to the violation. And, if the owner does not respond, it will be deemed that the owner has waived his/her opportunity to be heard and to contest the violation and monetary penalty as set forth above.

The owner will be provided an opportunity to discuss the violation and the monetary penalty to be imposed in one of two ways:

- 1) Within fourteen (14) calendar days following the date of the second notice, the owner may appeal the monetary penalty in writing to the Board and request a hearing, and/or
- 2) Within fourteen (14) calendar days following the date of the second notice, the owner may appeal the monetary penalty in person at a Board meeting if one is scheduled within that period.

Whether or not the owner appeals, the Board can assess the problem and determine whether to levy the monetary penalty upon the expiration of that fourteen-day appeal period. The owner will be notified of the Board's decision and date of required compliance. If the lot is not in compliance by the last given date, the case may be referred to an attorney for corrective action through legal means in accordance with the CC&R's.

Harmon Ranch Homeowners Association Monetary Penalty Summary:

- ◆ A monetary penalty will be assessed for a violation of the CC&R's, Bylaws and rules of the Association in accordance with the attached Monetary Penalty Schedule.
- ◆ If the same violation reoccurs within a 90-day period of the previous monetary penalty an additional monetary penalty will be assessed. Refer to the attached Monetary Penalty Schedule for monetary penalties for reoccurring violations.
- ◆ If the lot is not in compliance by the last given date subsequent to the assessment of the monetary penalty, the Board of Directors may have no choice but to pursue corrective action through legal means.

HARMON RANCH HOMEOWNERS ASSOCIATION

MONETARY PENALTY SCHEDULE

Approved: June 1, 2004

Effective: July 1, 2004

Violation	Monetary Penalty <u>1st Letter Sent</u>	Subsequent <u>Violations</u>
Removal of any portion of an Association common wall either without the Board's prior approval or in defiance of the Board's disapproval. The fine will be attached on the day the wall is torn down.	\$5,500.00 (Plus the cost of the repair by an Association approved contractor)	\$1,000.00 additional each notice

**NO WARNING LETTER WILL
BE ISSUED!**

Violation	Monetary Penalty 2nd Notice	Monetary Penalty 3rd Notice	<u>Subsequent Violations</u>
Trailers and RVs in view	\$200.00	\$300.00	\$100.00 additional each violation
All other violations	\$25.00	\$50.00	\$50.00 additional each violation

NOTE: This is an "illustrative list" of the most common violations and is not exhaustive