

**RESOLUTION OF THE BOARD OF DIRECTORS
VISTA MONTANA ESTATES HOMEOWNERS ASSOCIATION
ADOPTED 12/28/10.
VIOLATION ENFORCEMENT POLICY**

This resolution is adopted by the Board of Directors of the VISTA MONTANA ESTATES HOMEOWNERS ASSOCIATION pursuant to Arizona Revised Statutes §33-1803, which provide that the Association's Board of Directors is entitled to impose fines for violation(s) of the Declaration of Covenants, Conditions and Restrictions (CC&RS), Design Guidelines, or any rules adopted by the Board of Directors. The procedure for imposing fines for such violation(s) is set forth below and supersedes any other such procedure previously adopted by the Board. This policy is presumptive for all violations. In its discretion, the Board may deviate from the policy depending on the specific facts and circumstances of an individual violation.

1. **"Friendly Reminder"** - In most cases, and when appropriate as determined by the Association Manager, the first notification to an Owner of their compliance issue will be by means of a "Friendly Reminder" letter.
2. **"Notice of Violation"** - If the violation(s) continues fourteen (14) calendar days beyond the date the "Friendly Reminder" is mailed, or if the same rule or provision of the Governing Documents is subsequently violated within 90 days of its resolution, a written "Notice of Violation(s)" together with a request to cease and desist from an alleged violation(s) may be sent to the Owner of the Lot via regular mail and shall specify:
 - (a) The alleged violation(s);
 - (b) The action required to correct the violation(s);
 - (c) A time period for compliance of not less than fourteen (14) calendar days; and
 - (d) A statement that unless the violation(s) is corrected, sanctions may be imposed after notice and hearing.
 - (e) In the event that the Owner is leasing his/her home, the Association may provide a copy of the Notice of Violation(s) to the Owner's tenant.
3. **"Final Non-Compliance Notice"** - If the violation(s) continues past the period allowed in the "Notice of Violation" or if the same rule or provision of the Governing Documents is subsequently violated within 90 days of its resolution, a "Final Non-Compliance Notice" may be sent to the Owner of the Lot via regular mail and shall specify:
 - (a) The nature of the alleged violation(s);
 - (b) An invitation to the homeowner to submit a written Request for Hearing with the Board of Directors to discuss the alleged violation(s).
 - (c) A deadline of not less than fourteen (14) calendar days for submittal of such request;
 - (d) A statement that unless the violation(s) is corrected, sanctions may be imposed; and
 - (e) The proposed sanction(s) to be imposed, which may include the imposition of a fine and the payment of any attorney fees incurred by the Association, in the event that the Association prevails in the suit, as allowed by the governing documents and law.
4. **Hearing.**
 - (a) If a Request for Hearing is submitted within the 14 days noted in Section 3, a hearing will be scheduled.
 - (b) The Owner shall be notified via regular mail of the location, time and date of the hearing.
 - (c) The meeting will be held pursuant to the Notice of Hearing and the Owner shall be afforded a reasonable opportunity to be heard.
 - (d) If no Request for Hearing is submitted within the 14 days noted in Section 3, an initial fine may be imposed, per Section 5 below.

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5. **Imposition of Fine and any other Sanctions** - At the conclusion of the hearing, the Owner may be excused from the hearing and the Committee or Board of Directors shall determine the amount of the fine to be imposed, if any, based on:
- The seriousness of the violation(s)
 - Whether this is a first violation or a continuing violation(s)
 - Whether the type of offense poses a danger to property or any person
 - Any other extenuating circumstances and whether the Owner agrees in good faith to correct the violation(s) within the time specified
 - Impact on property values
 - Whether the amount is sufficient to obtain compliance, based on the facts

Definition - "Continuing Violation(s)" - Each day a violation(s) continues after notice to cease has been given by the Board to the Owner constitutes a separate violation(s) and can be subject to a fine. In addition, each recurrence of a violation of the same nature constitutes a continuing violation(s) and can be escalated to the next level of the enforcement process.

After the Board of Directors determines the amount of the fine, if any, the Board of Directors shall send notice to the Owner of the amount of the fine and its due date. The Board of Directors is empowered to impose a fine for each day that the violation(s) continues. **SEE ATTACHMENT A - FINE GUIDELINES.**

The Board shall have the authority to deviate from the **FINE GUIDELINES** based on application of the factors contained in this section.

6. **Request for Reconsideration to the Board of Directors.**
- (a) The Owner may request reconsideration of sanctions imposed by the Board of Directors.
 - (b) In order to schedule an appearance before the Board, the Owner must submit a written request to the Board of Directors after receipt of notice of the sanctions.
 - (c) The meeting shall be scheduled and the Owner notified of the date, time and location via regular mail.
 - (d) The meeting will be held pursuant to the Notice of Hearing and the Owner shall be afforded a reasonable opportunity to be heard.
 - (e) After the meeting, the Board shall issue a ruling on whether the sanction stands, is modified or is rescinded.
 - (f) The Board shall send a written notice to the Owner of its ruling.
 - (g) The ruling of the Board will be final.
7. **Payment of the Fine and/or Penalties.** The Board shall advise the Owner that any fine that is not paid within fifteen (15) days of its due date, is delinquent and subject to late fees and/or interest consistent with the governing documents and applicable Arizona law.
8. **Collection.** Collection of any fines and penalties may be enforced against any Owner in the manner consistent with the governing documents and applicable Arizona law.

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9. **Effective Date.** The effective date of this resolution is December 28, 2010

DATED this _____

VISTA MONTANA ESTATES HOMEOWNERS ASSOCIATION

By: Ronck J. Hall, President

Attest: Cynthia Taylor, Director

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FINE GUIDELINES

1. No fine shall be assessed until the Owner who has committed a violation has been given due written notice and opportunity for a hearing.
2. Monetary fines for violations of the governing documents and rules and regulations of the Association are as follows:

Parking/motor vehicle violations: \$25 per observation/per vehicle

Trashcan violations: \$15 per observation

Other Violations:

First Violation	\$50
Second Violation (of the same nature)	\$100
Third Violation (of the same nature)	\$200
Each Violation after the third (of the same nature)	\$500

3. If a corrected violation reoccurs within 90 days of resolution of the violation, the fine or enforcement procedure may immediately resume at the next level.
4. The Board shall have the authority to deviate from these **FINE GUIDELINES** based on application of the factors contained in paragraph 5 of the **VIOLATION PROTOCOL**.
5. It is the obligation of the Owner to advise the Association in writing that the violation has ceased.

Effective Date. The effective date of this resolution is December 28, 2010

DATED this _____ day of _____
VISTA MONTANA ESTATES HOMEOWNERS ASSOCIATION

By: [Signature], President

Attest: [Signature], Director

Vista Montana Estates Owners Association **Collection Policy**

I. Introduction

The Board of Directors of an association has a fiduciary duty to collect assessments. The Association's management company performs certain collections of assessments for the Association. What follows is the outline of the collection process as approved by the Board and as performed by management.

II. The Collection Process

Management begins collections procedures when an individual lot owner is delinquent in paying assessments as follows:

- Letter One:** Friendly Reminder Notice sent to Homeowner after 15 days outstanding.
- Letter Two:** Delinquent Notice sent to Homeowner after 30 days outstanding and a \$15.00 late fee is assessed.
- Letter Three:** At 45 days outstanding a demand Letter sent to Homeowner stating account sent to collections in 10 days.

After 10 days, if no payment is received, the management company will forward the account to the Association's attorneys who will send a demand letter, record a lien against the Owner's lot, and send a copy of the lien to the Owner.

- If no payment is received within 10 days after the lien has been recorded, the attorneys will proceed with litigation.

Management and the attorneys have no authority to negotiate reductions of the debts, and have no authority to waive any assessments. Management will enter into written payment arrangements for hardships prior to being sent to collections.

This Collection Policy shall not be construed to require receipt or actual notice by a homeowner of any Friendly Reminder Notices, Delinquent Notices or Demand Letters as a pre-condition to turnover of a delinquent account to legal counsel for collections.

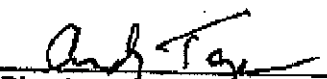
This policy was adopted on December 28, 2010 by the Board of Directors and will become effective as of, January 21, 2011



President - Brock Qualls



Director - TJ Bednar



Director - Cindy Taylor