



**RESOLUTION OF
THE BOARD OF DIRECTORS OF
VACTOR RANCH COMMUNITY ASSOCIATION
REGARDING THE IMPOSITION OF FINES**

This resolution is adopted by the Board of Directors of Vactor Ranch Community Association, Inc. pursuant to ARS §33-1803 of the Planned Communities Act. That Act provides that the Association, after notice to the Owner and an opportunity for a hearing, is entitled to impose fines for violations of the Declaration and any rules adopted by the Board. The procedure for imposing fines for such violations is set forth below:

1. Friendly Reminder. If an Owner/tenant or guest violates any provision of the Declaration or any Association rule, the management company will send a friendly reminder to the Owner advising of the violation and requesting that the Owner correct the violation within a reasonable time based upon the seriousness of the violation, but in not more than 30 days.
2. Demand. If the Owner is still in violation after the time for performance set forth in the Friendly Reminder, written notice of the violation will be sent to that Owner by the management company. The notice will specify:
 - a. the alleged violation;
 - b. the action required to be taken and a time period of not less than 15 days within which the Owner must abate the violation;
 - c. a statement that any subsequent violation of rule or restriction may result in the imposition of a fine; and
 - d. that the Owner is entitled to a hearing before any fine is imposed.
3. Continuing Violations. Each day a violation continues after the Notice is sent to the Owner is a separate violation that is subject to the imposition of a fine.
4. Notice. If the Owner does not cure the violation in the manner stated in the notice, or if the Owner subsequently violates the same rule or restriction, the Board will send a notice to the Owner advising of the date, time and location of a hearing before the Board. This notice will set forth the proposed sanction to be imposed.
5. Hearing. The hearing will be held in executive session and the Owner will be given the opportunity to be heard. The Board may reschedule the hearing at the request of the Owner upon a showing of good cause. If the Owner does not appear at the hearing, the Owner will have waived his/her right to attend. The notice requirement is satisfied if the Owner appears at the meeting. The minutes of the meeting must contain the results of the hearing and the sanctions, if any, that are imposed.
6. Service of Notice. All notices must be sent to the Owner at the address of the Lot, or at any other address provided by the Owner to the Association. Notice is deemed as given three days after it is deposited in the U.S. Mail, first class, postage prepaid. If the Owner is leasing his/her Lot, the

Association may provide a courtesy copy of the notice to the Owner's tenant.

7. Imposition of Fine and any other Sanctions. At the conclusion of the hearing, the Board will excuse the Owner and determine whether a violation has occurred, whether a fine should be imposed, the amount of such fine, if imposed, which may be based on:
 - a. the seriousness of the violation;
 - b. the effect that the violation has on other owners;
 - c. whether this is a first violation or a continuing violation;
 - d. whether the type of offense poses a danger to property or any person;
 - e. whether the Owner agrees to abate the violation within the time specified by the Board; and
 - f. any other factors deemed relevant by the Board of Directors.

8. Notice of Fine and Factors regarding Determination of the Amount of the Fine. If the Board imposes a fine, notice of the fine will be sent to the Owner with a request that it be paid within 30 days from the date of that notice. The Board has the power to:
 - a. impose a fine for each day that the violation continues;
 - b. to periodically increase the fine, if the violation is not cured within in the time required by the Board;
 - c. to impose the fine, suspend its imposition and allow the Owner to cure the violation within a time specified by the Board;
 - d. to find that a fine will be imposed for any subsequent violations of the same provisions of the rules or restrictions, without the necessity of holding another hearing;
 - e. as an additional sanction, require the Owner to reimburse the Association for any attorney fees incurred by the Association which relate to the violation and/or the hearing.

9. Payment of the Fine and/or Penalties. Any fine that is not paid within the time required by the Board delinquent and is subject to a late payment penalty of 10% of the amount due or \$15.00, whichever is greater.

10. Collection. Collection of any fines and penalties will be enforced by filing a lawsuit against the Owner and obtaining a judgment for the fines, attorney fees and costs incurred. That judgment will become a lien on the lot in accordance with ARS §33-1807.

11. Hearing Panel. At the discretion of the Board, it can appoint a hearing panel to conduct the hearing. At the conclusion of the hearing, the hearing panel will provide the board with an outline of the violation and a synopsis of the hearing, with a recommendation to the Board as to the amount of the fine to be imposed. A copy will be provided to the Owner. The Owner has 10 days from the date a copy of the outline is mailed to the Owner to appeal the hearing panel's decision to the Board, by sending a written request to the Board delineating the reasons why the Board should not approve the hearing panel's recommendation. The Board will review the information submitted by the hearing panel and the Owner's written appeal within 30 days of receipt and will confirm the hearing panel's recommendation, modify it or reverse it. If the Owner appeals the hearing panel's recommendation, the Board has the right, but not the obligation, to meet with the Owner to discuss the violation, the hearing panel's recommendation and to obtain any other information which it determines is necessary for it to make a final decision on the merits.

12. Actions of Tenants. Because the Declaration is a contract between the Owner and the Association, if the Owner's tenant violates the restrictions or rules, the Association is obligated to contact the Owner and advise of the tenant's violations. The Association is further required to impose fines, if any, against the Owner for the tenant's violations and it is the Owner's responsibility to obtain reimbursement of any fines imposed against the Owner for the tenant's violations. As a courtesy to the Owner, the Association has the right, but not the obligation, to send a copy of all notices to the tenant.
13. Fine Schedule. The Board has the right from time to time to prepare a schedule of fines for violations of the Rules, which schedule will set the fines from \$25.00 to \$150.00 based upon how egregious the violation is.
14. Effective Date. The effective date of this resolution is January 1, 2006.