

Scottsdale Sierra Hills Homeowners Association

Assessment/Fine Policy

January 2005

The objective of a community association is to protect the value, attractiveness and desirability of the properties in that community. The Declaration of Covenants, Conditions and Restrictions (CC&R's) are the most valuable tool to you as a participating member. The CC&R's clearly define the scope of powers of the Association and provide the restrictions imposed that work to ensure that the appearance of the community does not decline.

Article V Section 5.3 of the CC&R's allows the Board of Directors to adopt Associations Rules and Regulations and Fine policy whose purpose may be to restrict and govern the use of the area by any Owner, Owner's permits or Owner's pets or to establish a system of fines and charges for violations of the Association Documents.

SECTION 1

MANAGEMENT OF THE ASSOCIATION

The Board of Directors has established the following entities as a means of managing the Association.

Management/Accounting Company- Responsible for carrying out the directives of the Board of Directors and supervises the Community to ensure compliance with the CC&R's and Rules and Regulations. The Manager acts as a liaison between the community and the Board of Directors and is the point of contact for all members of the Association.

To receive and process all monthly dues and controlling all expenditures of funds by verifying all such expenditures are paid and established within the guidelines of the budget of the Association.

Section 2

OWNERS RESPONSIBILITIES

Homeowners are responsible for the following:

- Abiding by all the guidelines, restrictions and requirements as set forth in the CC&R's, Architectural Guidelines, and Rules and Regulations. These documents may be referred to at the Association Documents.
- Maintain an attractive and well-kept lot and home.
- Paying the Association assessments in a timely manner.

- Obtaining PRIOR written approval for any planned exterior alterations by submitting a Request for Approval” to the Architectural Committee/Board of Directors.

Section 3

USE RESTRICTIONS ENFORCEMENT

Carefully and thoroughly review your CC&R's. These clearly and strictly define what uses are allowed and what is prohibited. Requests for exceptions or interpretations must be submitted to the Board of Directors. Approval for exceptions will ONLY be granted in the instance of compelling circumstances and provided that the harmony and appearance of the community is not adversely affected. As a whole, thoroughly review all the Association Documents to ensure your compliance.

3.1 Enforcement

Scottsdale Sierra Hills Homeowners Association has established the following policy for Covenants, Conditions and Restrictions violation enforcement and any applicable monetary fines. The goal of this policy is to protect all Members of the Association from excessive costs in enforcing the CC&R's, and to safeguard the value of the member's property. Any letter assessing a monetary fine will have the original letter sent certified mail and a copy sent regular mail or courier to ensure that the homeowner is properly notified.

- **FIRST NOTICE:** Written warning, sent certified mail or courier to the responsible parties (homeowner and tenant if applicable). This would give details of the specific violations (s) with a formal request to resolved up to 30 days or cease and desist the activity immediately (as applicable). The letter would outline what penalties in the future violations would bring, and should they occur again within 30 days period. It should also give details for opportunity for a Board hearing to discuss the issue if requested by the homeowner. If the owner is absentee owner, a copy of the letter will also be sent to the tenant at the property address.
- **SECOND NOTICE:** A second written warning to the homeowner will advise them of the violation that occurred within the time frame mentioned in First Notice, and the corrective action needed and a fine of \$100.00 shall be assessed on the property account, payable within 30 days. Delivery of the notice shall be sent regular mail and certified mail. Again the homeowner will be offered the opportunity to request a hearing.
- **THIRD NOTICE:** The third letter- same offense and same procedure as Second Notice, but with additional \$150.00 penalty. The third time frame will be established for corrective action. The homeowner will again be offered an opportunity to request a hearing.

- **FOURTH NOTICE:** The fourth letter will notify the homeowner that additional fines for the same offense of \$300.00 has been assessed to their account and continual violations will result in further fines and legal action can be taken against them at the discretion of the Board of Directors.

Maximum assessment per violation would be \$550.00. These penalties are per individual violation. If multiple violations occur at the same time, the multiple assessments apply concurrently. Official violations shall be voted upon by the BOD and must have a majority vote to proceed with action. Past due assessment will be turned over the HOA attorney/collection and possible property lien can result. Attorney and court cost will be the responsibility of the violating party.

ASSESSMENT FEES

Section 4

Assessments fees are due and payable quarterly as stated in Article VI, Section 6.7 of the CC&R's. Checks should be made payable to Scottsdale Sierra Hills Homeowners Association. Assessments fees not paid by the 30th day following the first day of the quarter are considered delinquent and subject to \$15.00 late fees.

The Board on behalf of the Association will initiate legal collection procedures on delinquent assessment and late charges or fines.

4.1 Collection Process

Accounting collection procedures are as follows:

1. Letter One- 15 days delinquent
2. Letter Two- 30 days delinquent
3. Letter Three- Demand letter and sent to attorney/collection department

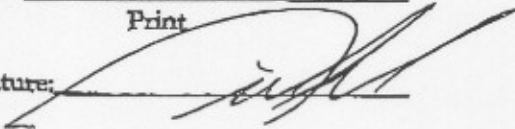
Legal Department/Attorney will proceed as follows:

1. File a lien against Homeowners lot and report to credit reporting agency.
2. Other actions as directed by the Board of Directors, (possible lawsuit, garnishment of wages.)

In accordance with Article VI, Section 6.7.5 of CC&R's, any legal and collection costs incurred will become the financial obligation of the owner of the lot involved in the action.

The undersigned do certify that the foregoing were adopted as a Fine Policy of Scottsdale Sierra Hills Homeowners Association Incorporated, a corporation not for profit under the laws of the State of Arizona.

Name: Michael Earl
Print

Signature: 

Title: Manager

Date: 2/14/05