

**RESOLUTION OF THE BOARD OF DIRECTORS
CATALINA DEL SOL HOMEOWNERS ASSOCIATION
ADOPTED March 1, 2017**

This resolution is adopted by the Board of Directors ("Board") of the Catalina Del Sol Homeowners Association ("Association") pursuant to Arizona Revised Statutes §33-1803, which provides that the Association's Board of Directors is entitled to impose fines for violation(s) of the Declaration of Covenants, Conditions and Restrictions for Catalina Del Sol, Lots 1 through 71, as amended ("CC&R's") and any rules adopted by the Board, and generally pursuant to Arizona Revised Statutes §10-3821 and the CC&Rs, which provide for the Board to take action without a meeting of the Board if all of the directors consent to such action. The procedure for imposing fines and taking such other action for such violation(s) is set forth below and supersedes any other such procedure previously adopted by the Board:

I. "Friendly Reminder" In most cases, and when appropriate as determined by the Board, the first notification to an Owner of his or her violation of the CC&Rs or an Association rule will be by means of a "friendly reminder" letter or, if the violation involve the parking of vehicle(s) in violation of the CC&Rs ("Parking Violation"), a "friendly reminder" letter or "friendly reminder" notice placed on the vehicle ("Notice"). An officer of the Association will issue the letter, and an officer of the Association or any other persons authorized by the Board will issue the Vehicle Notice.

II. "Notice of Violation" - If within ten (10) days of the date of the "friendly reminder" compliance is not gained or, if a Vehicle Notice is given for a Parking Violation, within three (3) days of the date thereof, a written "Notice of Violation" together with a request to cease and desist from an alleged violation(s) shall be sent to the Owner of the Lot via regular mail and shall specify the relevant facts relating to the violation. If the Owner is leasing his/her home, the Association may provide a copy of the Notice of Violation(s) to the Owner's tenant. In the Board's discretion, the Board may begin the process with the Notice of Violation, bypassing the "Friendly Reminder" letter or Vehicle Notice.

III. 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 or, in case of a Parking Violation, towing of the subject vehicle.

IV. "Notice of Hearing" - 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, the Association shall send another letter ("Notice of Hearing") except that a Notice of Hearing is not required, but may be given by the Board in its discretion, in connection with a Parking Violation or if the Board seeks to take action in response to a violation other than imposing a fine against the Owner. The Notice of Hearing shall contain:

- (a) The nature of the alleged violation(s);
- (b) The time and place of the hearing, which shall be not less than seven (7) days from the date of the Notice of Hearing;
- (c) An invitation to attend the hearing and produce any statement, evidence, and witnesses on his or her behalf; and
- (d) The proposed sanction to be imposed, which includes the imposition of a fine and, to the extent allowed by the CC&Rs or applicable law, the payment of any attorney fees incurred by the Association.

V. Hearing.

- (a) The hearing shall be held pursuant to the Notice of Hearing. The Owner shall be afforded a reasonable opportunity to be heard. In cases in which a complaining homeowner initiated the process, the Board shall evaluate reasonably.

- (b) Before any sanction becomes effective and except as set forth in paragraph IV above, the Association shall submit proof of the violation and the invitation to be heard.
- (c) Such proof shall be deemed adequate if a copy of the Notice of Hearing together with a statement of the date and manner of delivery is entered into the Owner's lot file.
- (d) The notice requirement is deemed to have been satisfied if the Owner appears at the meeting.
- (e) The minutes of the meeting shall contain a written statement of the results of the hearing and the sanctions, if any, to be recommended to the Board.

VI. Imposition of Fine and any other Sanctions.

At the conclusion of the hearing, the Owner may be excused from the hearing and the Board shall deliberate on the amount of the fine to be imposed, if any, and as applicable such other action to be taken by the Board, based on:

- The seriousness of the violation(s),
- Whether this is a first violation or a continuing or repeat 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 by the Board.
- Whether the amount is sufficient to obtain compliance, based on the facts
- After the Board determines the amount of the fine and as applicable such other action, the Board shall send notice to the Owner of the amount of the fine and its due date and as applicable such other action.
- The Board is empowered to impose a fine for each day that the violation(s) continues. See Attachment A – Fines Guidelines.
- The attached Fines Guidelines are not binding. The Board may impose a fine in any reasonable amount, based on the application of the factors above.

VII. Request for Reconsideration to the Board.

- (a) The Owner may request reconsideration by the Board.
- (b) In order to schedule an appearance before the Board, the Owner must submit a written request to the Association President within seven (7) days of receipt of notice of the sanctions or else the Owner shall be deemed to have waived its right to do so.
- (c) The meeting shall be scheduled and the Owner notified of the date, time and location via certified and regular mail.
- (d) The meeting will be held in executive session except as otherwise required by applicable law pursuant to the Notice of Hearing, and the Owner shall be afforded a reasonable opportunity to be heard.
- (e) At the conclusion of the meeting but subject to Arizona Revised Statutes § 33-1804.A(5), the Owner may be excused from the meeting and 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.

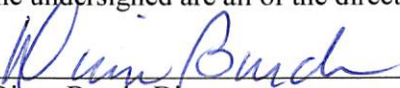
VIII. Payment of the Fine and/or Penalties. The Board shall advise the Owner that any fine, which is not paid within fifteen (15) days of its due date, is delinquent and subject to late fees and interest the same as any other assessment, subject to applicable Arizona law (Arizona Revised Statutes §33-1803.B currently limits to the greatest of \$15.00 or 10% of the amount due).

IX. Collection. Fines and penalties will be collected from the Owners.

X. Effective Date. The effective date of this resolution is MARCH 1, 2017.

DATED this 15th day of MARCH, 2017.

The undersigned are all of the directors of the Association:



Diane Burch, Director



Dot Maxson, Director




Barbara Liroy, Director



Bobbie Probst, Director



Claudia O'Hearn, Director



Dan O'Hearn, Director

ATTACHMENT A- FINES GUIDELINES

1. No fine shall be assessed until the Member who has committed a violation has been given due written notice.
2. Monetary fines for violation(s) of the governing documents and/or rules and regulations of the Association may be as follows:
 - First violation \$25
 - Second violation (of the same nature) \$50
 - Third violation (of the same nature) \$100
 - Each violation after the third (of the same nature) \$250
3. An additional fine that accrues each day may be assessed after the aforementioned fines have been assessed if the violation is a continuing one. **(Example:** A Homeowner installs an improvement without ARC approval. A First violation fine of \$25 is assessed. If the violation continues uncorrected, an additional fine in a reasonable amount would be assessed for each day until the violation ceases. The Member ultimately corrects the violation. The Member installs another improvement without ARC approval. A Second violation fine of \$50 is assessed. If the violation continues uncorrected, an additional daily fine would be imposed until the violation ceases)
4. It is the obligation of the Member to advise the Association in writing, that the violation has ceased.