

RESOLUTION OF THE BOARD OF DIRECTORS  
OF SPRINGPOINTE HOMEOWNERS ASSOCIATION, INC.  
REGARDING THE IMPOSITION OF FINES

This resolution is adopted by the Board of Directors of SPRINGPOINTE HOMEOWNERS ASSOCIATION, INC. pursuant to A.R.S. '33-1803 of the Planned Communities Act. That Act provides that a homeowners 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 procedures for giving notice to the Owners of violations, for providing the Owner in violation with a hearing and for imposing fines for such violations are set forth below.

1. Courtesy Reminder. If an Owner (or the Owner=s tenant) is in violation of any provision of the Declaration, Articles of Incorporation, Bylaws or any Rules (AGoverning Documents@), the Board will send a courtesy reminder to the Owner requesting compliance with the Governing Documents within a specified period of time.
  
2. Notice of Violation. If the Owner fails to cure the violation within the time requested in the Courtesy Reminder, the Association, through the Board, will provide written Notice of the Violation to the Owner of the Lot. The notice will specify:
  - a. the alleged violation;
  - b. if the violation is a continuing one, 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. if the violation is not continuing, a statement that any subsequent violation of the same provision of the Governing Documents may result in the imposition of a fine;
  - d. that the Owner is entitled to a hearing before any fine is imposed.
  
3. Process to Contest Notice. The Notice of Violation must also provide the Owner with a description of the process to contest the Notice before the Association takes action to enforce the Governing Documents. Once the Owner has received this Notice of Violation, the Owner has 10 business days from the date of the Notice to respond to the Association. The response must be sent by certified mail, return receipt requested to the Association at SPRINGPOINTE provide the following information unless previously provided in the notice of violation:
  - a. The provision of the governing documents that has allegedly been violated.
  - b. The date of the violation or the date the violation was observed.
  - c. The first and last name of the person or persons who observed the violation.



- d. The process the unit owner must follow to contest the notice.

Unless the Association initially provides this information in the Notice of Violation, the Association will not proceed with any action to enforce the governing documents, until after the Association and the Owner have exchanged this information.

4. Continuing Violations. Each day a violation continues after the Notice is sent to the Owner constitutes a separate violation which could be subject to a fine.
5. Subsequent Notices. In the discretion of the Board, the Board may send a second Notice of Violation to give the Owner additional time within which to comply with the requirements of the Governing Documents.
6. Notice of Hearing. After the expiration of the time set for performance in the Notice of Violation and any subsequent notice, if sent by the Board, and after the parties have exchanged information, if the violation has not been cured, or if the same provision of the Governing Documents is subsequently violated, the Board will send the Owner a Notice of a Hearing to be held by the Board. The hearing notice must contain:
  - a. a description of the alleged violation;
  - b. the time and place of the hearing, which will be not less than 10 days from the date of the notice;
  - c. an invitation to attend the hearing and produce any statement, evidence, and witnesses on the Owner=s behalf;
  - d. the proposed sanction to be imposed, which includes the imposition of a fine and the payment of any attorney fees incurred by the Association, in the event that the Association involves its legal counsel in the matter.
7. Hearing. At the hearing the Owner will be given a reasonable 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 fails to appear at the hearing set by the Board, then such Owner will have waived his/her right to attend. The notice requirement is satisfied if the Owner appears at the meeting. Minutes of the hearing will be taken and will, at a minimum, contain a written statement of the results of the hearing and the sanctions if any, imposed.
8. Service of Notice. Any Notice required to be provided under this Resolution will be sent to the Owner of the Lot at the property address of the Lot within SpringPointe, or at such other address provided by the Owner to the Association. Notice will be deemed given three days after the Association deposits the notice in the U.S. Mail, first class, postage prepaid. In the event that the Owner is leasing his/her unit, the Association may provide a copy of the Notice of Violation to the Owner=s tenant at the property address.



9. Imposition of Fine and any other Sanctions. At the conclusion of the hearing, the Board will determine whether a violation has occurred, whether a fine should be imposed, and the amount of such fine, if imposed. The amount of the fine 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.

10. Notice of Fines. If the Board imposes a fine, the Board will send notice to the Owner of the amount of the fine, any other sanctions imposed by the Board, the due date of any sums imposed against the Owner, and any other action taken by the Board after the hearing. The Board has the power to:

impose a fine for each day that the violation continues;  
periodically increase the fine, if the violation is not abated within the time specified by the Board;  
to impose the fine, suspend its imposition and allow the Owner to cure the violation within a time specified by the Board;  
to determine that the fine will be imposed for any subsequent violations of the same provisions of the Governing Documents, without the need to schedule another hearing;  
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.

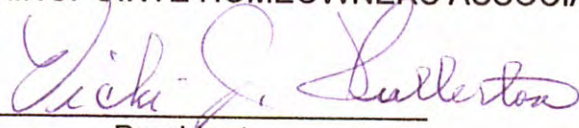
Payment of the Fine and/or Penalties. Any fine that is not paid within 15 days of its due date is delinquent and is subject to a late payment penalty of 10% of the amount due or \$15.00, whichever is greater.

Collection. Collection of any fines and penalties may be enforced against any Owner by filing a lawsuit against the Owner and obtaining a judgment against the Owner for the amount of the unpaid fines. If the Association files such an action, it will request that the court enter judgment in its favor for all attorney fees, litigation expenses and costs incurred.

Effective Date. The effective date of this resolution is 4-8-2008.

DATED this 8<sup>th</sup> day of April, 20 08.

SPRINGPOINTE HOMEOWNERS ASSOCIATION, INC.

By   
President

Attest:

Secretary 