

**NORTHTOWN HOMEOWNERS' ASSOCIATION, INC.
POLICY AND PROCEDURE**

FINE AND PENALTY POLICY

August 11, 2015

An infraction of any provision of Northtown's CC&R's or Rules (including Common Areas, Pool and Clubhouse Rules) by any owner, resident, family member, tenant, guest, invitee, or agent of said owner/resident may result in the levy of a fine and/or loss of Common Area privileges. Lot owners are responsible for the actions of their tenants and/or guests. This policy does not exclude any other penalties or remedies available to the Association pursuant to the above referenced documents and/or Arizona State Law. These procedures shall be modified to the extent State law governing penalties and notice requires.

FIRST NOTICE: A written notice shall be sent by USPS mail to the lot Owner/Member stating the nature of the violation with instructions for the Member to either correct the violation within fifteen (15) days from the date of such notice, or to respond within ten (10) days in writing by certified mail to the Association's address on the notice to request a hearing before the Board of Directors concurrent with the next Regular Board Meeting to occur over 15 business days after the Association receives your request for hearing. No fine or penalty may be levied until this first fifteen (15) day notice has expired.

Per ARS 33-1803, if a hearing is requested, the Association must reply to such a request within 10 business days and any action will be delayed until the conclusion of the hearing. Such hearing may be held in closed session unless the Member requests a public hearing. Failure to appear at a hearing requested by the Member may constitute a waiver of the right of the Member to be heard. At such a board hearing, any determination by the Board of Directors shall be final and binding.

SECOND NOTICE: Upon failure to either correct the violation or request a hearing within the time frame allowed (fifteen days) or upon a reported reoccurrence of a notified violation within 90 days of a first notice, the Member shall be given written notice of a fine assessed against their lot in the amount of \$25.00. (A copy of this policy shall be included with the second notice.)

If the cited violation is corrected prior to issue of a Third Notice, this \$25 fine may be waived by any director verifying such correction and the annotating the waiver on the lot file copy of the Second Notice with that director's dated signature. A copy of such waiver shall also be provided to the Treasurer to update that lot's account records.

THIRD NOTICE: Upon failure to correct the violation and pay the fine within thirty (30) days or upon a reported reoccurrence of a notified violation within 90 days of the second notice shall result in the Member being given written notice of an additional fine of \$50.00 being levied against the lot.

FOURTH NOTICE: Upon a reported reoccurrence of a notified violation within 90 days of a third notice or failure to correct the violation and pay the total fine of Seventy-five (\$75) Dollars at the end of the above thirty (30) day period shall result in additional fine of \$75.00. This written notice shall also state that, failure to correct the violation and/or pay the accrued fines may result in the Association pursuing legal action against the Member. Member shall be responsible for all legal fees incurred by the Association if action is brought against them. A fine of Seventy-five (\$75.00) Dollars per thirty (30) day period shall continue to accrue against the lot for as long as the violation remains and the total fine is not paid or be further levied upon the lot for a subsequent reoccurrence of the same violation if within 90 days of the pervious notice.