

CLEARWATER FARMS UNIT III
PROPERTY OWNERS ASSOCIATION, INC.

RESOLUTION

MONETARY PENALTIES - DUE PROCESS

WHEREAS the Declaration of Conditions, Covenants and Restrictions for Clearwater Farms Unit III Property Owners Association, Inc., (the "Association") recorded in docket 84-247947, of the records of Maricopa County, Arizona (the "Declaration") sets forth the legal description of the Property and subjects each owner of a Lot that is part of the Property to certain obligations, easements, restrictions, covenants, and conditions;

WHEREAS Sections 33-1242(11), 33-1243(A), and 33-1256(A) of the Arizona Revised Statutes empower the Board of Directors to impose monetary penalties upon the owners of Lots for violations of the documents of the Association;

BE IT RESOLVED that the following policy is hereby adopted by the Clearwater Farms Unit III Property Owners Association, Inc. Board of Directors with respect to imposing monetary penalties upon the owners of Lots for violations of the Declaration of Conditions, Covenants and Restrictions, Bylaws and Rules of the Association:

1. Lot Owners in violation of the documents or rules of the Association shall be subject to a monetary penalty.
2. The amount of the monetary penalty shall be determined based on the nature of the offense, the attitude of the offending Lot Owner(s) and the number of violations and shall range from \$10.00 to a maximum of \$500.00 per day.
3. The Lot Owner(s) shall be given an opportunity to be heard by the Board and the notice of the hearing shall be given at least 10 days in advance of the hearing by regular mail or hand delivery to the last known address of the Lot Owner.
4. If the Board determines that the Lot Owner(s) is guilty of a continuing violation, the Board may impose reasonable daily monetary penalties for each day of the violation. The penalties shall accrue until the Lot Owner(s) notifies the Board that the violation has ceased and the Board has confirmed the fact.
5. Any penalties assessed against the Lot Owner(s) may be enforced in the manner as established in the Declaration with regard to delinquent assessments.

6. Lot Owner(s) shall also be liable for any violation committed by a family member, guest, tenant or other occupant of the lot of the Lot Owner(s).

ADOPTED this 9th day of September, 1996. This policy shall become effective immediately.

Susan Celestian, President