



Sycamore Springs Homeowners Association

Dear Members:

February 29, 2004

Attached you will find copies of two policies adopted by the Board of Directors at the January 8th, 2004, Board of directors Meeting.

These Policies are:

Collection Policy Resolution

Hearing Panel and Fining Policy Resolution

Sincerely

F. M. Cadden
Managing Agent

C/O Cadden Community Management
1870 W Prince Rd., #47
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Sycamore Springs HOA Collection Policy Resolution

"Whereas the Sycamore Springs Homeowners Association is responsible for managing, maintaining and administering the Common Areas within the project, administering and enforcing the provisions of the Declaration, collecting assessments, and for expending funds to fulfill its obligations, it is imperative that each Owner timely pay all assessments due to the Association to fund these obligations in order to protect, maintain and enhance the value of the subdivision. To ensure that all Owners meet their financial obligations to the Association, the Board of Directors adopts this resolution, incorporating the Declaration of Covenants, Conditions and Restrictions, as well as the provisions of Arizona Revised Statutes §33-1803 *et. seq.* and as amended from time to time. The Association intends to follow these procedures in all cases when assessments are not paid in a timely manner as required in the Association Documents and under Arizona state law.

Article IV Section 3 of the Sycamore Springs HOA CC&R's, entitled Assessments, states that "Until commencement of the second annual assessment period, the maximum annual assessment against a Dwelling Lot shall be \$600.00. Thereafter, the assessment shall be determined by budgetary needs. Article IV section 3C states "The Board may, at any time and from time to time, after consideration of the projected maintenance costs and the other financials needs of the Association, fix the actual assessment against each Dwelling lot at an amount less than the maximum."

Article IV, Section 8 states "Any assessment not paid within fifteen (15) days after the due date thereof shall bear interest from the due date at the rate of twelve percent (12%) per annum, and the Association may assess a monthly late charge thereon in such reasonable amounts as determined from time to time by the Association. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against such Owner's Dwelling lot, and in the event a judgment is obtained, such judgment shall include interest and late charges on the assessment and a reasonable attorney's fee to be fixed by the court, together with the costs of the action."

Now, Therefore, Be It Hereby Resolved.... That the following additional terms are established for the collection of assessments of the Sycamore Springs Homeowners Association:

- 1) Assessment payments are made Annually. (Currently \$600.00 per developed Lot)
- 2) Statements are sent out in December for the following year and payment is due on January 1st
- 3) Assessments that remain unpaid on January 15th are considered delinquent and a 1st Reminder Notice is sent out.
- 4) Assessments that remain unpaid after 30^{days} will incur a one-time late charge of 10% of the outstanding amount, plus penalty interest of 12% per annum (1% per month) on the outstanding balance. A letter will be sent to the owner notifying them of the additional charges. Monthly invoices will be sent from that point forward.
- 5) Assessments that remain unpaid after 90 days will be turned over to an attorney for collection and a Lien will be filed against the property.
- 6) If Assessments remain unpaid for 6 months, the Association will file a Suit for Judgment.
- 7) The cost and expenses for collecting delinquent assessments shall include but not be limited to attorney's fees, title company fees, fees for filing any notice of lien or removal of lien, collection letters, postage, certified mailings and process services, and these shall be added to the assessment for the Dwelling.

If the Association's Board of Directors elects to foreclose its Lien against a Lot, the Owner risks losing his/her Property and any equity in that Property. If the Association obtains a Judgment against the Owner, it is entitled to collect the Judgment by garnishing any rental income due to the Owner, by garnishing the Owner's wages or bank accounts, or by executing against any real or personal property which the Owner may own in the State of Arizona.

The Association may, but shall not be required to refer delinquent accounts to its attorneys for collection. The association may grant a waiver of any provision herein upon petition in writing by an owner showing a personal hardship. Such relief will be addressed on a case-by-case basis. If granted, relief will be for a specific period of time and amount, which shall be appropriately documented in the files with the name of the person or persons representing the Association granting the relief and the conditions of the relief. In addition, the Association is hereby authorized to extend the time for filing of lawsuits and liens, or the otherwise modify the procedures contained herein, as the Association shall determine appropriate for each circumstance.

Now, Therefore, be it hereby Resolved that this Policy will go into effect on March 1, 2004 after distribution to the Association membership."

HEARING PANEL & FINING POLICY

"WHEREAS Chapter 40, A.R.S. Revised Statute 33-1803, Section (B) of the Arizona Condominiums and Planned Communities Act states that "After notice and an opportunity to be heard, the board of directors may impose reasonable monetary penalties on members for violations of the declaration, by-laws and rules and regulations" and...

WHEREAS Article 6.1.7 of the Sycamore Springs Bylaws: Powers and Duties states that "The Board shall be vested with and responsible for powers and duties to initiate and execute disciplinary proceedings against Members of the Association for violations of the provisions of the Articles, the Declaration, these Bylaws and such rules and regulations as may be promulgated by the Board in accordance with procedures set forth in these Bylaws and to impose suspensions of rights and reasonable monetary penalties as provided in Article 9 hereof."

NOW THEREFORE, BE IT HEREBY RESOLVED that the Sycamore Springs Homeowners Association Board of Directors adopts, by resolution, the following procedures to create and administer a Hearing Panel and Fining Schedule for the benefit of the Association, to levy reasonable fines for singular and continuing violations of the governing documents of Sycamore Springs Homeowners Association.

PROCEDURES

Upon verification of a violation of the governing documents, a first notice of violation will be sent to the owner of record citing the specific violation, as well as a timetable for corrective action, which will be up to 30 days from the date of the notice.

A follow-up inspection will be conducted on the deadline date of the first notice of violation. Failure to comply within the time frame specified, will result in a second notice of violation, wherein the Owner will be instructed to bring the violation into compliance within 15 days after the date of the second notice.

A follow-up inspection will be conducted on the deadline date of the second notice of violation. Failure to comply within the time frame specified, will result in a Certified Letter & Notice of Hearing, wherein the Owner, and only the Owner, will be invited to attend the next Board Meeting & Hearing Panel Session and have an opportunity to be heard. The date, time and location of the Hearing shall be established in the Notice of Hearing. The Sycamore Springs Homeowners Association Board of Directors shall act as the Hearing Panel at any board meeting. The Hearing Panel will meet in Executive Session prior to the beginning of the board meeting.

The decision of the Hearing Panel will be communicated to the Owner by Certified Mail within 10 days of the date of the Hearing.

A fine for a singular violation of the governing documents, of up to \$50.00, may be imposed for each separate or repeat issue of noncompliance.

An additional grace period of 10 days, beyond the date of the Hearing, will be granted for correction of any violation brought before the Hearing Panel. Failure to correct said violation within that time frame will result in a fine of \$10.00/day retroactive to the date of the Hearing.

Whereas Article IX Section 20 of the Sycamore Springs CC & R's state "Any fines shall be added to and become part of the assessment to which such Owner's dwelling lot is subject and shall become a lien on such Owner's dwelling lots and the improvements thereon and shall be enforceable and collected as provided for in Article IV hereof."

As stated All fines levied will be treated as assessments for purposes of collection.

Now, therefore be it hereby resolved that this Policy will take effect on March 1, 2004 after distribution to the Association membership."