



Hillcrest Bay, Inc.

November 29, 2016

Dear Hillcrest Bay Homeowner,

In March of 2016 the Governing Documents Committee reviewed our Governing Documents. In the Governing Documents, ARS 33-1803 states “After notice and an opportunity to be heard, the board may impose reasonable monetary penalties on homeowners for the violations of the Declaration of Restrictions, By Laws and Rules of the Association”.

Hillcrest Bay attorney, Ken Moyer, assisted the board with our questions, suggestions and the current Arizona laws as they apply. Mr. Moyer explained that the Board has the power and authority to set monetary penalties to the rules when violated by a homeowner, their guests and tenants.

In accordance with article IX of the By Laws relating to enforcement of the “Power and Duties of the Board of Directors”, the Hillcrest Bay Board of Directors voted and approved to impose fines at the November 12, 2016 meeting. The following schedule of monetary penalties will be imposed for violations of the Governing Documents, By Laws and Rules of the Association as such: A fine of \$25.00 will be charged for the first offense, a fine of \$50.00 will be charged for the second offense and a fine of \$75.00 will be charged for the third offense.

ARS 33-1803 also states “A member who receives a written notice that they are in violation of the community Rules and Regulations without regard to whether a monetary penalty is imposed by the notice, the homeowner may provide the association with a written response. The response must be sent by Certified Mail within ten (10) business days after the date of the notice. The response shall be sent to the address identified in the notice”.

Per Arizona law and with the advice of our Attorney, Ken Moyer, the following will be the letter procedure:

THE FIRST NOTIFICATION - A courtesy notice informing the homeowner of the non-compliance and a friendly reminder of the violation. The violation must be rectified *or* the homeowner must respond in writing by Certified Mail, within ten (10) days of the date of the violation notification.

Opportunity to be heard: The hearing notice advises the homeowner if the violation is not corrected within ten (10) days after notice, the homeowner will have an opportunity to be heard, via Certified Mail or before the Board of Directors, if the homeowner chooses to do so.

The Board of Directors may impose reasonable monetary penalties on noncompliance of violations of the Declaration of Restrictions, By Laws and Rules of the Association.

THE SECOND NOTIFICATION – Advise the homeowner that they have fifteen (15) business days to remedy the noncompliance issue.

Monetary Penalty Notice: This letter restates the nature of the violation and stipulates the monetary penalty to be imposed. The homeowner is also advised that if the violation is not corrected within ten (10) business days, additional monetary penalties will be imposed every ten days until the violation is corrected. With the exception of commercial vehicle, recreational vehicle and inoperable vehicle parking which is a 72-hour period maximum or further enforcement action will be taken and monetary penalties will be charged per day.

All notices will include:

1. The provision of the community documents that have been violated.
2. The date of the violation or date violation was observed.
3. The first and last name of the person who observed the violation.
4. Notice in response to the homeowner's response to a notice of violation letter.
5. The procedure that the homeowner must follow to contest the notice.

The implementation of these monetary penalties will help with the success of protecting our community, which we all share a vested interest in.

Respectfully,

Hillcrest Bay Board of Directors