

CIVANO 1 NEIGHBORHOOD 1
RESOLUTION 05-03-A
CC&R VIOLATION PROCEDURE

(Replaces 03-03, dated August 26, 2003)

WHEREAS, Article 11, Section 11.1 of the Association CC&R's grants the Association the right and power necessary for the reasonable administration of the affairs of the Association in order to effectuate all if the objectives and purposes if the Association and which are contained in the Specific Plan; and

NOW THEREFORE, be it resolved that a standing CC&R violation procedure be established as follows:

Chapter 40, ARS 33-1803, Section (b) of the Arizona Condominiums and Planned Communities Act states, "After notice and 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."

The following procedure is outlined for the purpose of aiding in the enforcement of the CC&R's of C1N1 Association, and "curing" CC&R violations by individual members:

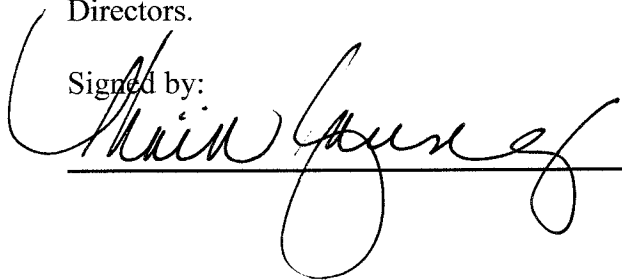
1. The Managing Agent will conduct bi-weekly inspections, varying the day and time of their inspection. The Manager will mail notice of violation to each applicable member advising the member of the violation and requesting that the violation be corrected. Member will also be advised that the Board of Directors may impose a monetary penalty for the violation. The Managing Agent may also mail notice of violations to an individual member, where properly documented complaints have been received.
2. At such time as a member receives a second violation for the same item, within four (4) months of the original violation notice, the notice of violation will be sent by certified mailed with an invitation to attend the next review committee meeting to show just cause why a fine should not be assessed.
3. A meeting with the review committee, consisting of a minimum of three (3) homeowners, will be conducted within fourteen (14) days of the mailing of the second notice. This meeting will be conducted at a time and date of the committee's convenience. A non-voting representative of the Managing Agent shall be present at all such reviews to interpret the CC&R's and By-Laws, and to clearly communicate the recommendation of the committee to the Board of Directors
4. Member may contact the Managing Agent prior to review meeting for a re-inspection of the violation, if the violation has been corrected. **The member still needs to attend review committee meeting.**
5. The review committee shall recommend the method of resolution of the subject violation to the Board. This recommendation may include:

- A) Granting an extension of time for compliance, should extraordinary circumstances exist.
 - B) Determine the manner of remedy of the violation.
 - C) Assessing monetary penalties. An initial penalty may be assessed, plus a daily penalty until the violation is corrected and inspected, with the daily fine rate commencing on the date of the Review Committee Meeting.
 - D) Any member who has received two notices for the same violation may be informed that review provisions will stay in effect for a period of four (4) months. Any repeat of the violation within that period of time will immediately cause the Board to impose penalties as per item "C" above, without an additional review.
6. A written recommendation shall be submitted to the Board, by the Managing Agent within 1 business day of the review meeting for submission to the Board of Directors.
 7. The Board of Directors, in Executive Session, shall make the final determination on the disposition of the violation. HOA Manager shall inform the homeowner, in writing, of the decision of the Board, and any monetary penalties that have been imposed.
 8. Upon notification to the Managing Agent of correction of the violation, a follow-up inspection of the property for verification shall be set, in a period not to exceed 72 hours.
 9. As soon as it is confirmed that the violation has been remedied, the daily monetary penalty shall cease.
 10. Payment of any monetary penalties shall be billed to homeowner by the Managing Agent, and shall be due and payable within 10 days. All amounts billed shall be added to the homeowner's account balance with the association. Any unpaid penalty shall be assessed a late fee, in accordance with the CC&R's.
 11. The Board of Directors will instruct legal counsel to file a lien against the Lot, in compliance with Arizona State governing law, to protect the interest of the Association. The member will be responsible for all costs incurred as a result of placing a lien on a Lot, including all legal fees.

Note: The Board of Directors may, at its sole and absolute discretion, waive the two-notice requirement for any act it believes presents a clear and present danger to residents, tenants and guests.

Confirmed this 22ND day of NOVEMBER, 2005 at a meeting of the Board of Directors.

Signed by:



Thais Young, President