PEREZ ACRES HOMEOWNERS ASSOCIATION

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January 17, 2014
Homeowners and Residents

RE: Implementation and Enforcement of Notices and Penalty Fees for Violation of Rules and Policies

Dear Homeowner and/or Resident,

The success of our homeowners association is judged in large part on how all of that live in Perez Acres get along and form a community with a common ideal of maintaining and building a better place to live. Regulations and restrictions that govern how residents are expected to conduct themselves are intended to provide guidance and help us all understand the values and community behavior that our neighborhood believes are important. Our Area Policy Manual describes the rules regulations that have been adopted at Perez Acres and guides the day-to-day living experience of those that live here. Without rules, and a means to enforce them, the community living experience would be less than all of us expect.

Over the past several years, the units in Perez Acres have increasingly become rental properties and the proportion of homeowners living here has diminished. Since renters are many times temporary, they may not have the commitment that homeowners do to adhere to the values of our community because they have no investment in its future or its value. That is one reason why the leadership of the association believes enforcement of our Area Policy is so important. The Board of Directors has taken the complaints and concerns of homeowners and residents alike regarding the behavior of a few seriously.

Consequently, the board decided to explore ways to improve enforcement of the rules of Perez Acres and reduce the number of violations. We researched the way other Guam homeowners associations deal with this and came to the conclusion that penalty fees for the violation of rules and regulations help in maintaining the quality of life. The board understands that such a conclusion may not be popular and we considered our conclusion very carefully.

The first thing we did was make sure that such a move was consistent with the bylaws of our Association. The power to impose penalties in order to enforce rules and regulations is given to the Board in paragraph (a), Section 1, (Powers), Article VII, (Powers and Duties of the Board of Directors), of Perez Acres Homeowners Association Revised By-laws. This paragraph reads; "The Board of Directors shall have power to: Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guest thereon, and to establish penalties for the infraction thereof".

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After confirming that we had the ability to impose fines, and researching how we can remain in line with similar rules and regulations adopted by other associations on Guam, we decided the time had come to act. During the board meeting on December 18, 2013, the members decided to implement the imposition of fines. We decided to move gradually and voted to approve penalty fees for only six of the 40 or more rules in our Area Policy Manual that are routinely violated without concern. Our decision was to start by imposing fines that most affect the appearance and healthiness of Perez Acres as a place to live. To give homeowners time to adjust to this penalty fees base enforcement policy of Perez Acres' Rules and

Homeowners shall be responsible for their tenants' and occupants' actions, misconduct, and adherence to the Rules and Regulations of the Association. All penalty fees will be assessed to the homeowner's account even if the violation was against their tenant or guest. Homeowners will have to recover the penalty fee from their tenants.

Attached are the following documents:

a. **Enforcement of the Rules and Regulations.** This document lists and explains the different types

of notices that will be sent to the violator and/or homeowner.

Regulations, the effective date for implementation is February 1, 2014.

b. **Notices/Penalty Fees Spreadsheet.** This spreadsheet lists the six violations that were selected by the Board for current enforcement. Each violation shows which type of notice and timeframe that will

be sent to the violator and/or homeowner.

It is very important to note that once a homeowner receives a Warning Notice, Daily Penalty Notice, or Daily Penalty Increase Notice, it will be theirs or their property manager's responsibility to notify the Perez Acres Office once the violation(s) has been corrected. Once the Perez Acres office receives notification from the homeowner or property manager that the infraction has been resolved, the General Manager will inspect the corrected violation(s), and if in compliance, the Compliance Notice will be sent to the homeowner or property manager and the imposition of penalty fees will stop.

The Board of Directors realizes that everyone may not agree with this new policy and would appreciate your feedback. Please stop by and offer your comments to Dave, our General Manager. The board will be meeting at the end of January and if you have a concern, we would be happy to discuss it during our board meeting. I believe this is the best way we have available to continue to make Perez Acres one of the most inviting and enjoyable places to live. All of us on the board hope you agree.

Sincerely,

Jay R. Merrill President

Perez Acres Homeowners Association

2 Attachments: as stated.