

RESOLUTION  
BOARD OF DIRECTORS  
The Preserve Owners Association

Fines-Due Process

Upon motion duly made, seconded, and carried, the following resolution was adopted by the Board of Directors:

**RESOLVED:** Effective immediately and pursuant to Arizona law, the Board of Directors (the “Board”) shall have the power to impose fines upon the Owner(s) for violations of the Project Documents. This power shall apply to violations by the Owner(s) and the Owner(s) shall be liable for any violation committed by their family, pets, guests, Lessees, Occupants, licensees, or agents.

The Owner(s) will be notified of the violation by regular mail or hand delivery. Such notice will be a “Notice of Violation” and will stipulate a period, if applicable, ranging from 24 hours to 30 days, depending on the nature of the violation, by which time the violation will have to be corrected, or a “Failure to Remedy” warning will be issued, which will stipulate a period, if applicable, ranging from 24 hours to 30 days, depending on the nature of the violation, by which time the violation will have to be corrected, or a “Notice of Fine” will be issued. In the event of recurring incidents of the same violation, previous warnings will remain in effect, so that the third incident of violation, and any further occurrences of violation, may result in a “Notice of Fine” without additional warning notices. **EXCEPTION: Recreational Vehicles, Motor Homes, Boats, etc. are not allowed in any manner which is visible to any Neighboring Property at any time (reference Section 3.06). A violation of this will result in a fine if not corrected within 24 hours. No further notices will be issued.**

The amount of the fine shall be determined based on the nature of the offense, the attitude of the offending Owner(s), and the number of violations. The amount of the fine shall be determined by the Board and shall range from \$10 per incident to a maximum of \$500 per incident for each violation. The Owner(s) in question shall be given an opportunity to appeal any fine by providing a written request to be heard to the Board within 15 days of receiving a “Notice of Fine”. Such appeal will be heard by the Board with the decision of the Board to be final. If the violation is a continuing violation, the Board may impose reasonable daily monetary fines for each subsequent day of the violation, and such continuing fines shall remain in effect until the Owner(s) notifies the Board that the violation has ceased and the Board has confirmed that this, in fact, is the case. Any fines assessed against the Owner(s) may be enforced in the same manner established in the Project Documents: DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR THE PRESERVE under Section 8.07-Rules Regarding Billing and Collection Procedures and Section 8.09-Enforcement of Assessment Obligation.

**(Adopted by a majority vote of The Preserve Board of Directors August 26, 2003)**