The Board of Directors at a duly called and noticed meeting held on 1/13, 2021. 2021 for Sanalina Homeowners Association, an Arizona non-profit corporation (the "Association") at which a quorum was achieved pursuant to A.R.S. § 10-3824, hereby adopt the following resolution:

WHEREAS, Article 2, Section 2.3 of the Declaration provides the Association may adopt, amend and repeal the Association Rules by majority vote of the Board.

WHEREAS, the Board of Directors of the Association has recognized a need to implement an amended policy of imposing monetary penalties against members who violate the governing documents.

NOW THEREFORE, IT IS RESOLVED that the following Fine and Enforcement Policy for Sanalina is hereby implemented:

The Board of Directors intends to impose monetary penalties as authorized by A.R.S. Section 33-1803. The Board of Directors, when imposing monetary penalties reserves the right to enforce the community's restrictions in any other legal manner. The following fine schedule is intended to be a guide only and is not intended to create any rights. The Board of Directors reserves the right to accrue the fine daily until the violation is cured and to impose fines in amounts in excess of those set forth in the fine schedule.

COURTESY NOTICE:

An initial courtesy notice of the violation shall be mailed via regular mail to the homeowner requesting compliance within twenty-one (21) calendar days – **NO NOTICE OF FINE.** Courtesy notice advises homeowner of the right to appeal the notice of violation, and the process to follow to contest the notice of violation.

SECOND NOTICE:

If the violation still exists twenty-one (21) calendar days beyond the date of the "courtesy notice", a second notice requesting compliance within seven (7) days shall be mailed to the homeowner. A \$50.00 FINE will be assessed and due immediately with the second notice. If an appeal from the homeowner is received within 10 days of the second notice, further notices will be suspended until such time as the board has acted and notified the homeowner of the decision of the appeal.

THIRD NOTICE:

If the violation still exists seven (7) days beyond the date of the "second notice", a third notice requesting compliance within seven (7) days shall be mailed to the homeowner. A \$100.00 FINE will be assessed and due immediately with the third notice. If an appeal from the homeowner is received within 10 days of the third notice, further notices will be suspended until such time as the board has acted and notified the homeowner of the decision of the appeal.

FOURTH NOTICE:

If the violation still exists seven (7) days beyond the date of the "third notice", a fourth notice requesting compliance within seven (7) days shall be mailed to the homeowner. A \$200.00 FINE will be assessed and due immediately with the fourth notice. If an appeal from the homeowner is received within 10 days of the fourth notice, further notices will be suspended until such time as the board has acted and notified the homeowner of the decision of the appeal.

CONTINUING VIOLATIONS:

If a violation still exists 7 days beyond the date of the "fourth notice", the homeowner account may be sent to the Association's law firm for further action.

FINES:

No fine shall be imposed without first providing a written warning to the Owner describing the violation and stating that the failure to stop the violation within no less than seven (7) days or another recurrence of the same violation within six (6) months of the last instance of the same violation shall make the Owner subject to imposition of a fine. Failure to pay any fine shall subject the Owner to the same potential penalties and enforcement as failure to pay any assessments under Section 6.11 of the Declaration of Covenants, Conditions and Restrictions for Sanalina (CC&R's) to the extent permitted by law.

SUSPENSION OF VOTING RIGHTS:

If any Member has caused or permitted a non-monetary violation of the Governing Documents, the Member's right to vote as a Member of the Association will be suspended automatically within fifteen (15) days after the Member's receipt of written notice from the Board.

SELF HELP:

Pursuant to Section 10.5 of the CC&R's:

In the event any portion of any Lot is so maintained as to present a public or private nuisance, or as to substantially detract from the appearance or quality of the surrounding Lots or other areas of the Project which are substantially affected thereby or related thereto, or in the event any portion of a Lot is being used in a manner which violates the Project Documents, or in the event the Owner of any Lot is failing to perform any of its obligations under the Project Documents with respect to the maintenance, repair or replacement of the Lot or the Improvements located on such Lot, the Board may, by resolution make a finding to such effect, specifying the particular condition or conditions which exist, and pursuant thereto give written notice thereof to the Owner by mail to the mailing address of the Lot and make demand that corrective action be taken within fourteen (14) calendar days of the day of the notice. If at the expiration of the said fourteen (14) day period the requisite corrective action has not been taken, the Board shall be authorized and empowered to cause such action to be taken, including but not limited to the hiring of an attorney to take action on behalf of the Board, whether by informal

pre-suit action or by formal legal proceedings. The costs of any action taken by the Board as set forth herein, including but not limited to incidental and taxable costs, attorneys' fees and any fines assessed against any Owner shall be added to and become a part of the assessment to which the offending Owner and the Owner's Lot is subject and shall be secured by the assessment lien.

Notwithstanding the foregoing, the Board of Directors reserves the right to seek Injunctive Relief at any time regardless of the presence or absence of notices hereunder, for any violation that the Board of Directors determines in its sole and absolute discretion constitutes a material danger to persons or property or requires immediate action for any other reason.

The Board of Directors reserves the right to take any action permitted by law or the CC&Rs (including sending the account to the Association's law firm), in addition to the abovementioned fine policy.

APPEAL PROCESS:

- If an Owner wishes to appeal a violation, he/she must do so within thirty (30) calendar days of the date of the violation notice, by sending written notice of the appeal via U.S mail or email to the Association's address contained in the violation notice. Once an Owner has appealed a violation, such Owner shall not be permitted to appeal any subsequent notice of the same violation.
- Appeals shall describe the reason for the appeal and any extenuating circumstances that the Board should consider.
- All decisions regarding an Owner's appeal shall be at the sole and absolute discretion of the Board of Directors and are final and may not be further appealed.
- The appeal shall be heard by the Board of Directors in Executive Session unless requested otherwise by the owner.
- If the appeal is denied, the Owner must bring the violation into compliance within ten (10) days. If the violation still exists after ten (10) days, the Owner will be fined \$100.00 every seven (7) days until the violation is corrected. In addition, the Board of Directors may seek legal action to remedy the violation. All costs of legal action will be billed to the Owner and collected in the same manner as assessments to the extent permitted by law.

A majority of the Board of Directors app	roved the above Resolu	ition implementing the Fine
and Enforcement Policy for Sanalina on this /	3 day of May	

THE SANALINA HOMEOWNERS ASSOCIATION, Inc., an Arizona non-profit corporation.

By: ___ Name: _

Dusidant Person

Its: President