

**UNANIMOUS CONSENT TO ACTION
BY THE BOARD OF DIRECTORS
DESERT PEAK HOMEOWNERS ASSOCIATION**

c/o AAM, LLC
7740 North 16th Street, Suite 300
Phoenix, AZ 85020
(602) 957-9191

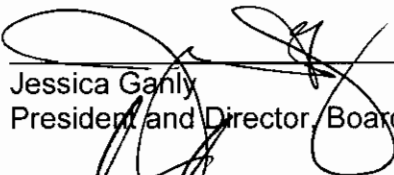
FINE POLICY AND APPEAL PROCESS

The undersigned, constituting all of the members of the Board of Directors of Desert Peak Homeowners Association, an Arizona nonprofit corporation, hereby take the following actions in writing and without a meeting pursuant to Section 10-3821, Arizona Revised Statutes, which actions shall have the same force and effect as if taken by the Board at a duly called meeting of the Board.

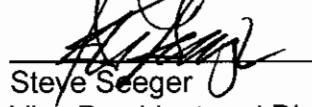
RESOLVED, that the Board of Directors hereby approves the attached Fine Policy and Appeal Process for Desert Peak Homeowners Association attached to this resolution.

The Board of Directors hereby instructs the managing agent to notify all Homeowners of the implementation of the Fine Policy and Appeal Process effective as of June 14, 2007.

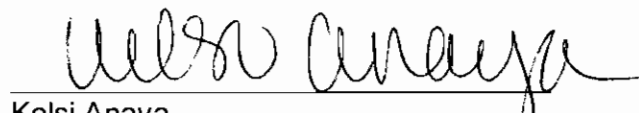
IN WITNESS WHEREOF, the undersigned have executed this consent as of this 21st day of June, 2007.



Jessica Ganly
President and Director, Board of Directors



Steve Seeger
Vice President and Director, Board of Directors



Kelsi Anaya
Secretary/Treasurer and Director, Board of Directors

DESERT PEAK HOMEOWNERS ASSOCIATION

FINE POLICY AND APPEAL PROCESS

Effective June 14, 2007

FINE POLICY

The following Fine Policy and Appeal Process shall be followed for Desert Peak Homeowners Association:

FIRST NOTICE: An initial notice of the violation shall be mailed to the Homeowner requesting compliance within ten (10) days - **NO FINE**.

SECOND NOTICE: If violation still exists, a second notice requesting compliance within ten (10) days shall be mailed to the Homeowner. A **\$25.00 FINE** will be assessed with the second notice and is due immediately.

THIRD NOTICE: If violation still exists, a third notice requesting compliance within ten (10) days shall be mailed to the Homeowner. A **\$50.00 FINE** will be assessed with the third notice and is due immediately.

FOURTH NOTICE: If violation still exists, a fourth notice requesting compliance within ten (10) days shall be mailed to the Homeowner. A **\$50.00 FINE** will be assessed with the fourth notice and is due immediately.

CONTINUING VIOLATIONS: If the violation continues without resolution after the fourth notice, a **FINE of \$100.00** shall be assessed **every ten (10) days** until the violation is resolved. In addition, the Board shall have the right to remedy the violation and/or take legal action, the cost of which shall be billed to the Homeowner and collected in the same manner as assessments.

FINES: No fine shall be imposed without first providing a written warning to the Homeowner describing the violation and stating that failure to correct the violation within ten (10) days or ***another recurrence of the same violation within six (6) months*** of the original violation shall make the Homeowner ***subject to imposition of a fine***. Failure to pay any fine shall subject the Homeowner to the same potential penalties and enforcement as failure to pay any assessments under Article 6 of the CC&R's.

SELF HELP: Per Article 10 of the CC&R's, Owner's shall arrange for the continued care and upkeep of their Lot. In the event an Owner fails to maintain his Lot and Unit in good condition and repair or in the event an Owner fails to landscape his Lot as may be required, the Board of Directors may exercise their right to "Self Help" and have the Lot and Unit landscaped, cleaned and repaired as required and shall charge the Lot Owner for such work. Such right to exercise

"Self Help" may be implemented at anytime during the notification process at the discretion of the Board of Directors.

Notwithstanding the foregoing, the Board of Directors reserves the right to seek Injunctive Relief at anytime 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 substantial reason.

The Board of Directors reserves the right to take any action permitted by law or the CC&R's, in addition to the above mentioned fine policy.

APPEAL PROCESS

- When a violation notice is sent to a Homeowner, such notice shall include a statement notifying the Homeowner that he/she has the "RIGHT OF APPEAL".
- When a Homeowner desires to appeal a violation, he/she must so notify the Management Company in writing within ten (10) days after the date of the violation notice.
- Appeals shall demonstrate ***extenuating circumstances*** which require deviation from the CC&R's and/or guidelines.
- Appeal shall include all pertinent backup information to support the existence of the ***extenuating circumstance***.
- All decisions of the Board are final and may not be further appealed.
- Any appeal that does not meet the above requirements shall not be heard by the Board and shall be considered ***DENIED***.
- The Homeowner appealing the violation will be given written notice that a hearing on the appeal is scheduled.
- The appeal shall be heard in Executive Session.
- The Board President will introduce all parties.
- Lengthy discussions are not a part of an appeal process.
- The Homeowner who is appealing will be asked to state their case and present any applicable documentation.
- Each Board Member will have the opportunity to ask the Homeowner specific questions regarding the appeal.
- Upon completion of the question and answer period, the Board President will state that the appeal has been heard and the Board will make their decision in closed session. Written Notice of the Board's decision will be delivered to the Homeowner within seven (7) working days.
- If the appeal is denied, the Homeowner must bring the violation into compliance within ten (10) days. If the violation still exists after ten (10) days, the Homeowner will be fined \$100.00 every ten (10) 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 Homeowner and collected in the same manner as assessments.