

**Resolution of the Board of Directors
of San Ignacio Vistas, Inc.
Regarding the Imposition of Fines and Penalties**

This resolution is adopted by the Board of Directors of SAN IGNACIO VISTAS, INC. [the "Association"] pursuant to A.R.S. §33-1803.B which provides that the Association, after notice to the Owner and an opportunity for a hearing before the Board of Directors, is entitled to impose fines and penalties for violations of the Amended and Restated Declaration of Covenants, Conditions and Restrictions for San Ignacio Vistas, recorded on September 8, 1995 at Docket 10122 at Page 1387, *et. seq.* and as amended [the "Declaration"] and any Rules adopted, from time to time, by the Board. The procedure for imposing fines and penalties for such violations is set forth below:

1. Demand. Written Notice of the Violation and Notice of Hearing ["Notice"] shall be given to the Owner of the Lot. The Notice shall specify: (a) the alleged violation; (b) the action required to abate or cure the violation and (c) either a time period for performance of not less than ten (10) days, if the violation is a continuing one, or a statement that any subsequent violation of the same rule or provision of the Declaration may result in the imposition of fines and/or penalties. The Notice shall also contain: (i) the time and place of the hearing; (ii) an invitation to attend the hearing and produce any statement, evidence, and witnesses on his or her behalf; and (iii) the proposed fines and penalties to be imposed. In the event that the Owner is leasing the Lot, the Association may provide a copy of the Notice to the Owner's tenant.
2. Continuing Violations. Each day a violation continues after the Notice has been given by the Board to the Owner shall be a separate violation and shall be subject to a fine and/or penalty.
3. Notice. If the violation continues past the period allowed in the Notice, the Board shall hold the hearing as specified in such Notice.
4. Delivery of Notices. Any notices required to be given to any Owner pursuant to this Resolution shall be in writing and shall be deemed to have been sufficiently given for all purposes when personally delivered to such Owner or sent by First Class US Mail, postage prepaid to the Owner at the Owner's address within San Ignacio Vistas, Green Valley, AZ, or such other address provided by the Owner to the Association. Notice shall be deemed to be received ["Date of Receipt"] when delivered, if delivered personally, or five business days after the date mailed, if mailed. The Owner waives Notice if the Owner attends the hearing.
5. Hearing. The hearing shall be held pursuant to the Notice. The Owner shall be afforded a reasonable opportunity to be heard and may be represented by an attorney. The attorney for the Association may also be in attendance at the request of the Board. If an Owner is unable to attend the hearing the Owner may appear through the Owner's attorney or may designate another person to appear of the Owner's behalf.
6. Minutes. The Association shall attach a copy of the Notice with proof of service to the minutes of the hearing session. The hearing session minutes shall contain a

written statement of the results of the hearing and the fines and/or penalties, if any, imposed.

7. Imposition of Fines and any other Sanctions. At the conclusion of the hearing, the Owner, the Owner's attorney or other representative and any witnesses, shall be Excused from the hearing and the Board of Directors shall determine the amount of the fine to be imposed, if any, based on the seriousness of the violation, whether this is a first or a continuing violation, whether the type of offense poses a danger to property or any person, whether the Owner agrees to abate the violation within the time specified by the Board of Directors, and any other factors deemed relevant by the Board. After the amount of the fine is determined, the Board shall send notice to the Owner of the amount of the fine, any other penalties imposed by the Board and the due date for the payment of such sums assessed against the Owner. The Board has the power to impose a fine for each day that the Owner has been in violation following the Date of Receipt.
8. The Board may also determine that a fine and/or penalty will be imposed for any subsequent violations of the same provisions of the Declaration or Rules of the Association. As part of the reasonable monetary penalty imposed upon the Owner, the Board may require that the Owner reimburse the Association for any attorneys' fees and/or other costs reasonably incurred by the Association which relate to the violation and/or the hearing.
9. Payment of the Fine and/or Penalties. The Board shall advise the Owner that any fine which is not paid within fifteen days of its due date is delinquent and is subject to a late payment penalty of 10% of the amount due or \$15.00, whichever is greater.
10. Collection. Collection of any fines and penalties may be enforced against any Owner pursuant to A.R.S. §33-1807.A, which may result in a civil judgment against the Owner and a judgment lien against the Owner's Lot.
11. Payments. Payments received by the Association in payment of fines and/or penalties must be applied in the following order: (1) the amount of the unpaid monetary fines and/or penalties; (2) unpaid charges for late payment of monetary fines and/or penalties; (3) attorneys' fees and costs; and (4) any other unpaid fees, charges, and interest on any of those amounts.
12. Definition of Terms. The terms used in this Resolution, if not defined herein, have the same definition as set forth in the Declaration.
13. Effective Date. The effective date of this resolution is February 1, 2001.

ADOPTED by the Board of Directors on December 18, 2000 and as amended on September 12, 2005.

