

**UNANIMOUS CONSENT TO ACTION
BY THE BOARD OF DIRECTORS
MOGOLLON RANCH PROPERTY OWNERS ASSOCIATION, INC.**

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

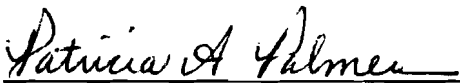
FINE POLICY AND APPEAL PROCESS

The undersigned, constituting all of the members of the Board of Directors of Mogollon Ranch Property Owners Association, Inc., 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.

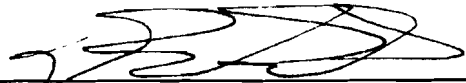
RESOLVED, that the Board of Directors hereby approves the Fine Policy and Appeal Process for Mogollon Ranch Property Owners Association, Inc. attached to this resolution.

The Board of Directors hereby instructs the managing agent to notify all Owners of the implementation of the Fine Policy and Appeal Process effective as of January 1, 2011.

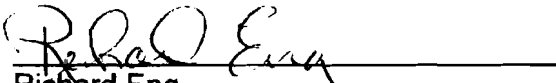
IN WITNESS WHEREOF, the undersigned have executed this consent as of this 30 day of October, 2010.



Pat Palmer
President and Director, Board of Directors



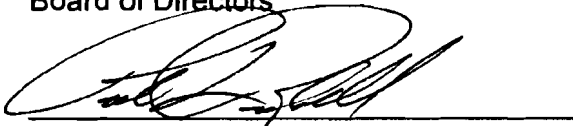
Dennis Bischoff
Director, Board of Directors



Richard Eng
Vice President/Secretary and Director,
Board of Directors



David Reisdorf
Director, Board of Directors



Paul Randall
Treasurer and Director, Board of Directors

MOGOLLON RANCH PROPERTY OWNERS ASSOCIATION, INC.
FINE POLICY AND APPEAL PROCESS
Effective January 1, 2011

FINE POLICY

Pursuant to the Declaration, the Association shall have the right to adopt a schedule of fines for violation of any provision of the Governing Documents. The following Fine Policy and Appeal Process shall be followed for Mogollon Ranch Property Owners Association, Inc.:

FIRST NOTICE: A member of Association who is found to be in violation of the Declaration of Covenants, Conditions and Restrictions or any other provision of the governing documents of Mogollon Ranch Property Owners Association, Inc. will be notified in writing either by the Association's Board of Directors or by the Association's managing agent. The notice shall be sent via regular US mail or shall be hand delivered and shall include the nature of the violation and the applicable fine for noncompliance. The notice of violation shall provide that within a period of time (to be determined by the Board of Directors or Association's managing agent), the member must either correct the violation or enter into a compliance agreement with the Association acceptable to the Board or Association's managing agent whereby the member agrees to rectify the violation.

OPPORTUNITY TO BE HEARD: The member who has received notification of violation will be given notice of his or her right to be heard by the Board of Directors at the next scheduled regular meeting of the Board of Directors concerning his or her defense, if any, or mitigating circumstances, if any, to the alleged violation. If the Board of Directors hears a member's reasons for the violation, either verbally or in writing at the option of the Board of Directors, and decides not to impose the monetary penalty, the member will be relieved of any obligation to pay the monetary penalty. If the member does not attend the next regularly scheduled Board of Directors meeting after mailing of the notice of violation, the fine will be deemed imposed the day of the Board of Directors meeting. The Board of Directors retains the authority to impose monetary penalties from the date of the violation through the date of the meeting regardless of whether the member attends the meeting to be heard.

Any fine levied pursuant to this Fine Policy shall be considered an assessment against the member's lot and shall be collectible by the Association in the same manner as all other such assessments as provided in the Declaration of Covenants, Conditions and Restrictions for Association.

This policy is not intended by the Board of Directors to preclude any other enforcement remedy the Association may possess at law or in equity with respect to any violation of the governing documents.

All legal, collection and other expenses incurred by Association to obtain compliance of a member with the declaration or other provisions of the governing documents will be the obligation of the member.

FEE SCHEDULE:

\$5.00 to \$5,000.00 per incident or per each day for continuing violation at the discretion of the Board of Directors.

\$1000.00 for 1st offense and up to \$10,000.00 for 2nd offense for a violation of the Fire rules.

APPEAL PROCESS

- When a violation notice is sent to an Owner, such notice shall include a statement notifying the Owner that he/she has the "RIGHT OF APPEAL."
- When an Owner 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 Governing Documents.
- 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 Owner 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 Owner 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 Owner 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 Owner within seven (7) working days.
- If the appeal is denied, the Owner must bring the violation into compliance or be fined \$5.00 to \$5,000.00 imposed for every day of non-compliance. 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.