

**MAJORITY CONSENT TO ACTION
BY THE BOARD OF DIRECTORS
CACTUS PARK ESTATES HOMEOWNERS' ASSOCIATION**

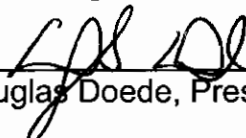
**FINE POLICY AND
VIOLATION APPEAL PROCESS**

The undersigned, constituting a majority of the members of the Board of Directors of the Cactus Park Estates Homeowners' Association, an Arizona nonprofit corporation, hereby take the following action at a duly called meeting of the Board of Directors on August 17, 2006:

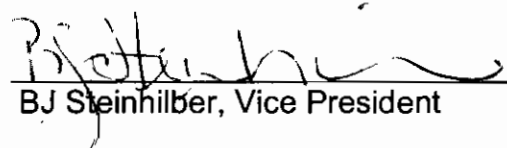
RESOLVED, that the Board of Directors hereby approves the attached Fine Policy and Violation Appeal Process for the Cactus Park Estates Homeowners' Association, attached to this resolution.

The Board of Directors hereby instructs the managing agent to notify all homeowners of the implementation of the fine system effective as of November 1, 2006.

IN WITNESS WHEREOF, the undersigned have executed this consent as of this 17th day of August, 2006.

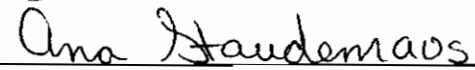


Douglas Doede, President



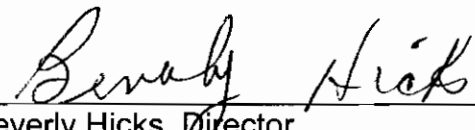
BJ Steinhilber, Vice President

Kenneth Lessard, Treasurer

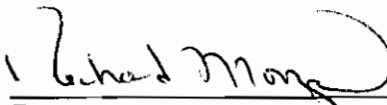


Ana Staudenraus, Secretary

Bret Bloemers, Director



Beverly Hicks, Director



Richard Monzon, Director

Robert Jones, Director



Lee Pettikas, Director

CACTUS PARK ESTATES HOMEOWNERS' ASSOCIATION

FINE POLICY FINE APPEAL PROCESS

Effective November 1, 2006

FINE POLICY

The following Fine and Appeals Policy shall be followed for the **Cactus Park Estates Homeowners' Association**:

FIRST NOTICE: An initial notice of the violation shall be mailed via regular mail to the homeowner requesting compliance within fourteen (14) days - NO FINE.

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

THIRD NOTICE: If violation still exists, a third notice requesting compliance within ten (10) days shall be mailed via regular mail to the homeowner. A \$25.00 FINE will be assessed and due immediately with the third notice.

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

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 as allowed by Arizona Revised Statutes.

FINES: No fine shall be imposed without first providing a written warning to the Owner describing the violation and stating that failure to stop the violation within no less than fourteen (14) days with the first notice, or another recurrence of the the same violation within three (3) months of the original violation shall make the Owner subject to imposition of a fine.

CACTUS PARK ESTATES HOMEOWNERS' ASSOCIATION

VIOLATION APPEAL PROCESS

When a violation notice is sent to a homeowner, the notice includes a statement notifying the homeowner that they have the "RIGHT OF APPEAL". When a homeowner wants to appeal a violation, they must send the Management Company written notice that they are requesting an appeal of the violation.

- Appeals shall be received within ten (10) days of the date of the fine notification (violation letter).
- Appeals shall demonstrate extenuating circumstances which require deviation from the CC&Rs and/or guidelines.
- Appeals 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 be heard by the Board and shall be considered DENIED.
- The homeowner appealing the violation will be given written notice that 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 documentation that is applicable.
- 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. Then "Written Notice" will be given to the homeowner of the Board's decision within ten (10) working days.

If the appeal is denied, the homeowner must bring the violation into compliance within fourteen (14) days. If the violation still exists after fourteen (14) days, the homeowner will be fined \$100.00 every fourteen (14) days until the violation is corrected. In addition, the Board of Directors may seek legal action to remedy the violation.