

**MADRID HOMEOWNERS ASSOCIATION
ACTION BY THE BOARD OF DIRECTORS**

MAY 16, 2006

Pursuant to the authority contained in the Arizona Revised Statutes and the governing document of the association, the Board of Directors of the **MADRID Homeowners Association Inc.** hereby adopts the following resolution at the meeting of the Board of Directors, convened on this date, for and as the actions of the **MADRID Homeowners**, as of the date set forth above:

RESOLVED, to adopt the following.

Fine schedule and policy for violations of the CC&R's, Rules and Regulations as may be adopted or modified from time to time by the Board of Directors for the **MADRID** homeowners association.

DATED as of the 16th day, of May 2006.

Violations: will be cumulative for the fiscal year. Beginning January 1.

1. Reminder/warning letter giving 14 days to comply.
2. Second letter stating possible fine and amount of \$(50.00), giving notice to owner that they have a right to a hearing and must contact manager for date and time within fourteen days.
3. Third or subsequent letters stating fine amounts for continuing violations \$(100.00) and total fines assessed as of the subsequent violation.
4. Subsequent noncompliance: Upon board approval the Association will seek relief of violations through the Association Attorney and the Court system. All cost will be a part of the judgment that is being sought.

Architectural: noncompliance

1. Reminder/warning letter giving 14 days to comply.
2. Second letter stating possible fine and amount of \$(250.00), giving notice to owner that they have a right to a hearing and must contact manager for date and time within fourteen days.

3. Third or subsequent letters stating fine amounts for continuing Architectural noncompliance \$(250.00) and \$(1000.00) total fines assessed as of the subsequent violation.
4. Subsequent noncompliance: Upon board approval the Association will seek relief of architectural noncompliance through the Association Attorney and the Court system. All cost will be a part of the judgment that is being sought.

Procedures:

1. Homeowners will be notified by mail of all violations.
2. The homeowner has the right to a hearing before the Board or Committee where decisions of the Board are final.
3. Board will direct Management Company as to waiving or assessing of fines at each hearing or board meeting and for all pending fines and/or legal action with the Associations Attorney

I hereby certify that the above resolution(s) were duly adopted at a meeting of the **MADRID Homeowners Association Board of Directors** on the above date.