

**Resolution of the Board of Directors
Of
King City Highlands Homeowners Association, Inc.**

Resolution # 2002-3

WHEREAS, Article VI, Section 11 of the Declaration, and Article V of the Bylaws authorizes the Board of Directors to adopt rules and regulations governing the conduct of persons and the operation and use of the property within King City Highlands Homeowners Association as it may deem necessary;

WHEREAS, Article XII, Section 7 of the Declaration states "The Board may bring an action to obtain a money judgement against an Occupant or Owner for damages for the Occupant's or Owner's breach or noncompliance with the provisions of the Declaration, Bylaws, or rules or regulations adopted pursuant thereto";

WHEREAS, The State of Oregon Legislature has added certain requirements to the Oregon Planned Community and Condominium statutes going into effect on January 1, 2002; Including a schedule of fines;

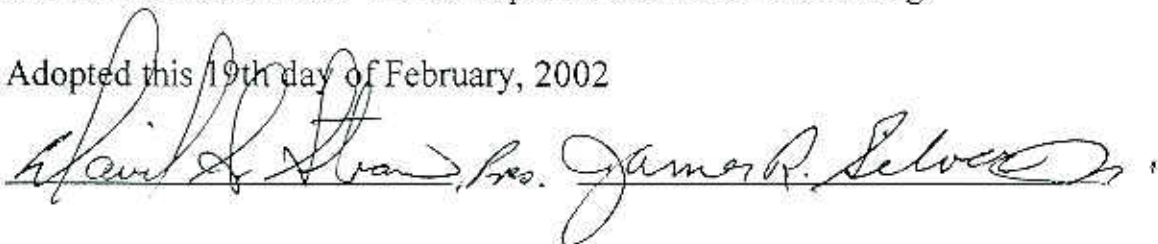
Let it be resolved that the following Schedule of Fines will be followed:

- Unauthorized trimming of Street Trees \$200.00 (per tree)
- Violation of any provision of the Architectural Design Manual. \$50.00 plus \$10.00 per day until removed.
- Yard Cleanup Actual cost plus \$50.00
- Overtime parking of Trailers or RV's. \$50.00 per day

FINES: Notification of all fines shall be in writing from the Board.

APPEAL PROCESS: Any Occupant or Owner receiving a fine who believes no violation occurred, may submit a written explanation to the Board of Directors. The Occupant or Owner will be given an opportunity for a hearing and no enforcement fee will be imposed until after the hearing.

Adopted this 19th day of February, 2002

The block contains two handwritten signatures in black ink. The signature on the left is partially obscured by the text 'Adopted this 19th day of February, 2002'. The signature on the right is more complete and appears to be 'James R. Selva'.