

**RESOLUTION OF
THE BOARD OF DIRECTORS OF
THE CAPES HOMEOWNERS ASSOCIATION**

The following Resolution is adopted this 4th day of June, 1998; by the Board of Directors of The Capes Homeowners Association, Inc. (the "Association").

RECITALS

The Oregon Planned Community Act, at ORS 94.630(1)(k) permits the Association, after giving notice and an opportunity to be heard, to levy reasonable fines for violations of the Declaration of Reservations, Restrictions, and Covenants, the Bylaws and Rules and Regulations of the Association.

The Board acknowledges that certain violations of the Declaration of Reservations, Restrictions, and Covenants, the Bylaws and Rules and Regulations of the Association may not be resolved by written notice from the Association, and that certain violations may or may not warrant formal legal action.

The Board anticipates that violations may vary widely in their seriousness and their effect on the Association and other owners, so that it would be difficult to establish a single fine for all violations, and that it would be equitable to leave the amount of any fine levied pursuant to this policy to the discretion of the Board of Directors after hearing all the facts and circumstances surrounding the violation.

NOW, THEREFORE, IT IS HEREBY RESOLVED, that the Board shall have the authority to levy fines in an amount not exceeding \$500

Dollars and No/ 100 (\$ no 100) per violation per day for violations of the

Association's Declaration, Bylaws and Rules and Regulations, with the exact

amount of each fine to depend upon the facts and circumstances surrounding the violation; and

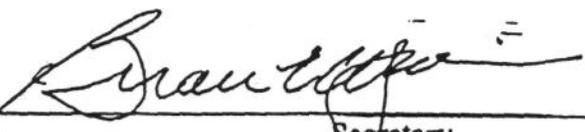
IT IS FURTHER RESOLVED, that the Board shall levy no fine until written notice of the violation has been given to the offending owner, and until such person has had an opportunity to be heard before the Board of Directors or any committee that the Board may appoint from time to time for such purpose, which opportunity shall be taken, if at all, within a reasonable time after the Board's notice, as established by the Board of Directors; and

IT IS FURTHER RESOLVED, that all fines levied pursuant to this policy shall be deemed common expenses payable solely by the person against whom such fines are assessed and, unless timely paid, shall become a pan of any lien that may be filed by the Association against the unit of the offending owner; and

IT IS FURTHER RESOLVED, that fines may be levied by the Board of Directors with respect to all future violations and all existing, current or continuing violations of the Declaration, Bylaws or Rules and Regulations of the Association.

IN WITNESS WHEREOF, the undersigned Secretary hereby certifies that the above-referenced Resolution was duly adopted by the Association's Board of Directors.

THE CAPES HOMEOWNERS ASSOCIATION

By 
Secretary