

**RESOLUTION OF THE BOARD OF DIRECTORS OF
STAR CANYON CONDOMINIUM ASSOCIATION, INC.**

Resolution #2

April 25, 2002

ADOPTION OF RULE(S) AS AUTHORIZED BY ARTICLE 6, SECTION 6.19, of the Declarations of the Star Canyon Condominium Association, Inc.

At a regular meeting of the Board of Directors held on April 15, 2002, the following rules were adopted.

Pursuant to Article 6, Covenants and Restrictions on Use, Alienation & Occupancy, Section 6.19 Rules & Regulations, on Page 19 of the Declarations, any violation of said Covenants, Conditions, Restrictions, By-Laws, Articles of Incorporation, or Rules and Regulations shall result in a penalty/fine assessment as follows:

1. First Offense/Violation: Written notice/warning letter to the homeowner. Violation must be corrected within ten (10) days of the notice or a second violation notice will be sent and fine may be assessed.

2. Second Offense/Violation: Written notice/fine letter to include Thirty Dollar (\$30) fine assessed against the homeowner. Violation must be corrected in ten (10) days or a third violation notice will be sent and an additional fine may be assessed.

3. Third Offense/Violation: Written notice/fine letter to include an additional Fifty Dollar (\$50) fine assessed against the homeowner. Violation must be corrected in ten (10) days or a fourth violation notice will be sent and fine may be assessed.

4. Fourth and Subsequent Offense/Violation: Written notice/fine letter to include an additional Seventy Five Dollar (\$75) fine per notice assessed against the homeowner and the matter being turned over to the Association's attorney for enforcement. The homeowner is responsible for any fees and costs incurred in the collection of any fines or enforcement of any violations, including but not limited to attorney's fees, court filing fees, and service costs, and that fees and costs shall be recovered by the Board regardless of whether a lawsuit is filed.

Effective with the second and subsequent related offense/violation notice(s), the homeowner may request a hearing which shall be served upon the Association or its' Agent by registered or certified mail. The hearing on a complaint and/or fine to be imposed shall be scheduled within sixty (60) days from the alleged subsequent offense. The Hearing Committee, if one exists, shall consist of three (3) members appointed by the Board of Directors. If a Hearing Committee does not exist, the Board of Directors will conduct all hearings.

Based upon the information provided to the Hearing Committee at the hearing, a decision by the committee will be made within ten (10) days of the hearing. The decision of the Hearing Committee shall be given to the Board of Directors.

The Board has the power to impose fines consistent with the fine schedule detailed in this resolution. All Boards of Directors decisions are final. If the homeowner does not appear or respond in writing, an automatic default may be entered against the homeowner. Once a hearing has been completed by a duly appointed Hearing Committee, if one exists, regarding a specific violation of the Covenants, Conditions, Restrictions, By-Laws, Articles of Incorporation, or Rules and Regulations, and the Board of Directors has issued a final determination, no further hearing process shall be required by the Board to assess additional fines as provided by the fine schedule.

ATTESTED FOR ADOPTION this 25 day of April, 2002.

[Signature]
Board Member Title

[Signature]
Board Member Title