

 **Ceres
Gleann** HOMEOWNERS ASSOCIATION, INC.

September 14, 2009

Re: New Fine Policy

Dear Ceres Gleann Homeowners,

Enclosed you will find a copy of a Consent Resolution of the Board of Directors of the Ceres Gleann Homeowners Association, Inc., in which the Board adopted a new regulation of the Association permitting the imposition of fines against homeowners who fail to pay their annual or landscaping assessments. Attached to the Resolution is a copy of the regulation as adopted by the Board. The regulation was discussed at the August 18, 2009, Open Forum of the Transitional Advisory Committee (TAC) and adopted by the Board following its discussions with the TAC.

The Board relies on every owner paying his or her assessments in a timely manner in order for the Association to meet the obligations that are required of it by Oregon law and by the Amended and Restated Declaration of Covenants, Conditions and Restrictions of Ceres Gleann. It is the Board's hope that it will not need to impose fines to encourage owners to pay their assessments, but we will not hesitate to do so when necessary.

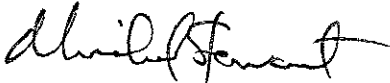
Thank you for your attention to this matter.

Sincerely,

CERES GLEANN HOMEOWNERS ASSOCIATION BOARD OF DIRECTORS


James W. Fowler


Ron Hannegan


Michael Stewart

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CONSENT RESOLUTION
OF
CERES GLEANN HOMEOWNERS ASSOCIATION, INC.

WHEREAS, the undersigned are the Directors of *Ceres Gleann Homeowners Association, Inc.*, an Oregon non-profit corporation (the "*Association*"); and

WHEREAS, the undersigned wish to take the action as hereinafter set forth pursuant to the Oregon Nonprofit Corporation Act and the Oregon Planned Community Act; and

WHEREAS, the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Ceres Gleann (the "*Declaration*") permits the Board of Directors to adopt rules and regulations to govern the conduct of persons and the operation and use of the property within Ceres Gleann, and to impose fines for an owner's breach of the Declaration and the rules and regulations adopted pursuant thereto; and

WHEREAS, the Board has proposed a policy to address the failure of owners within Ceres Gleann to pay the assessments charged by the Association and permitted by the Declaration. A copy of the proposed policy is attached hereto as *Exhibit A* and by this reference made a part hereof (the "*Policy*"); and

WHEREAS, the Board, having considered the Policy and comments by owners to the Policy, wishes to adopt the Policy as a regulation of the Association.

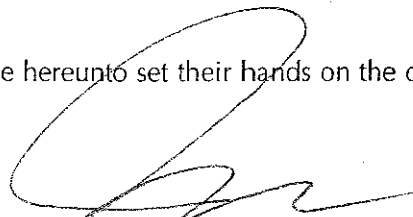
NOW, THEREFORE, the following resolutions are unanimously adopted:

BE IT RESOLVED, that the Board hereby adopts the Policy as a regulation of the Association.

BE IT FURTHER RESOLVED, that the officers of the Association are hereby authorized to execute any documents which they may determine to be reasonably necessary to effectuate such resolutions.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands on the dates set forth below.

Date: 9-11-09, 2009



James W. Fowler, Director

Date: 9/11/09, 2009



Ron Hannegan, Director

Date: Sept 11, 2009



Michael Stewart, Director

Exhibit A

Ceres Gleann Homeowners Association Policy for Collecting HOA Assessments

1. Assessments are due and payable on or before the date specified by the Board.
2. Assessments that remain unpaid at the end of the month will incur a \$35 rebilling fee and interest at the rate of 12% per annum will begin to accrue on all amounts outstanding, including fines and rebilling fees.
3. The rebilling fee will continue to be charged each month that an assessment or any portion thereof remains unpaid and thus must be rebilled to the owner.
4. The HOA, on action of the Board, may fine a homeowner up to \$250 for failure to pay past due assessments if the past due assessments are not paid in full within 30 days of notice from the HOA of the amount outstanding. The Board may waive all or part of such fine if it determines that extraordinary circumstances, such as an extreme health or financial problem, contributed to the homeowner's failure to pay his or her assessments.
5. Upon receipt of the notice described in paragraph 4, above, a homeowner may request a hearing before the HOA Board. Such request must be made by the homeowner in writing to the Secretary of the HOA within 10 days of receiving the notice.
6. If the past due assessments remain outstanding, the Board may re-assess a fine against the offending homeowner as often as once every six months. The board shall follow the procedures set forth in paragraphs 4 and 5 when additional fines are imposed.
7. In addition to the fees and fines set forth above, the HOA may exercise any other right or remedy permitted by the Declaration or Bylaws of Ceres Gleann or by Oregon law for a homeowner's failure to pay assessments and accrued fees and fines, including recording of a lien against the homeowner's lot, and may add the cost of collection, including legal fees, to the debt being collected on behalf of the HOA.