

**STEPHANIE TERRACE CONDOMINIUM OWNERS ASSOCIATION
COLLECTION RESOLUTION
Resolution #2009-001 (Administrative) July 2009**

WHEREAS, Article I, Section 1 of the Bylaws of the Stephanie Terrace Owners Association ("Bylaws") states:

1. Application. These Bylaws govern the Stephanie Terrace Condominium Owners' Association (the "Association") and the administration of the property known as Stephanie Terrace Condominium (the "Condominium") located in the County of Washington, State of Oregon, and more particularly recorded in Deed Records, Washington County, on October 5, 1984, Document number 84039395, pursuant to ORS 94.146 (the "Act").

WHEREAS, Article IV, Section 2 of the Bylaws state:

2. Powers and Duties. The Board shall have all powers and duties necessary for the administration of the affairs of the Association, except for powers and duties that, by law or these Bylaws, may not be delegated to the Board by the owners. The powers and duties to be exercised by the Board directly or indirectly include, but are not limited, to:

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(c) Collection of money from owners to pay common expenses;

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(i) Enforcement by legal means of these Bylaws and any rules and regulations adopted pursuant to these Bylaws."

WHEREAS, Article VII, Sections 2 and 3 of the Bylaws state:

Unit owners shall be billed monthly in advance for their share of the common expenses. Such bills shall be payable on the first of the month. Payments will be considered delinquent if not received by the 10th of the month.

Each owner shall pay his unit's allocated share of the cash requirement deemed necessary by the Board to manage and operate the condominium project upon the terms, times and in the manner provided in these Bylaws, without deduction on account of any setoff or claim the unit owner may have against the Board or the Association. If the unit owner fails to pay monthly dues when they become due, the unit owner shall pay a late fee as determined by the Board, from time to time. If late payments continue to accrue, the penalty could include interest on the amount due from the day it became due to the date of payment. Interest shall be charged at the prime rate, as established by Bank of America of Portland, Oregon, or any such other financial institution the board may deem appropriate.

WHEREAS, Article VI, Section 6.4 of the Declaration of Condominium Ownership for Stephanie Terrace Condominium ("Declaration") states:

6.4 Each monthly assessment and each special assessment shall be separate, distinct and personal debts and obligations of the unit owner against whom the same are assessed at the time the assessment is made and shall be collectable as such. Action or suit to recover a money judgment or decree for unpaid common expense shall be maintainable by the Board or Declarant without foreclosing or waiving the lien securing payment. The amount of any assessment, whether regular or special, assessed to the owner plus interest at 10 percent per annum and costs, including reasonable attorney's fees, shall become a lien upon the unit as provided by the Act. The lien for nonpayment of common expenses shall have priority over all other liens and encumbrances, recorded or unrecorded, except only:

(a) Tax and assessment liens on the unit, and

(b) A first mortgage or trust deed of record on the unit.

WHEREAS, ORS 100.405 (4)(k) and (L) states:

"Subject to the provisions of the condominium's declaration and bylaws, and whether or not the association is unincorporated, the association may: (k) Impose charges for late payments of assessments, attorney fees for collection of assessments ...and (L) Adopt rules regarding the termination of utility services paid for out of assessments of the association and access to and use of recreational and service facilities available to unit owners

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and, after giving written notice and an opportunity to be heard, terminate the rights of any owners to receive such benefits or services until the correction of any violation covered by such rule has occurred.”

WHEREAS, from time to time owners become delinquent in their payments of these assessments and fail to respond to the demand from the Board to bring their accounts current.

WHEREAS, the Board deems it to be in the best interest of the Association to adopt a uniform and systematic procedure for dealing with delinquent accounts in a timely manner, and further believes it to be in the best interest of the Association to refer these accounts promptly to an attorney for collection so as to minimize the Association's loss of assessment revenue.

NOW, THEREFORE, IT IS RESOLVED, there is hereby levied a late fee against any assessment account for any assessment, fine, damages or maintenance expenses billed to owner which is not paid in full within ten (10) days of the date such assessment is due; and such late fee shall of \$25.00 per month for each month that the balance remains unpaid. Interest at a rate of 10% per annum will begin accruing on the full balance owed upon the date of delinquency.

NOW, BE IT FURTHER RESOLVED, that the following steps be adopted to provide for the uniform and systematic procedure for the collection of unpaid assessments:

1. If any assessment remains unpaid by an Owner after ten (10) days from the due date for its payment, the Association may send a notice to the Owner indicating the amount due, including notice of the late payment fee, and demand for immediate payment thereof within ten (10) days.
2. If any assessment remains unpaid the Association will then send the Owner a notice informing said Owner of intent to lien property. Payment must be received within ten (10) days to avoid filing of lien. The cost for sending this Notice of Intent to lien is billed to the owner for processing of this letter.
3. If assessment remains unpaid after previous notice of intent to lien, a Claim of Lien is filed with the appropriate county recorder's office against Owner's property. The cost to the owner for all costs is billed to the owner. A letter will then be sent out via certified mail to the Owner and the Mortgage Holder, as required by law, informing Owner that a lien has been placed and that the account may be transferred to collections within seven (7) days. The Owner is also notified that all costs and fees associated with all collection efforts will be imposed to their account.
4. If assessment remains unpaid at this time and the outstanding balance is in excess of \$1,000.00, the account is automatically turned over to legal counsel. If the balance is less than \$1,000.00, the Board may choose to hold the account until the balance exceeds the amount, but the Board is not required to do so. A written demand for immediate payment, indicating that if the account is not paid in full within thirty (30) days, further collection action will be instituted, including the filing of a suit for money judgment and/or garnishment. The Owner will be liable for payment of charges imposed by legal counsel to cover fees and costs associated with all collection efforts. The demand for payment shall include all collection costs to date.
5. If any assessment remains unpaid by the Owner thirty (30) days after the initial demand for immediate payment by legal counsel, legal counsel shall send Owner a ten (10) day demand letter for payment or the Association will file suit to either obtain a money judgment or foreclose on the lien, if Board approval is obtained for this action. The demand shall include the updated amount owing, including all collection costs to date.
6. If any assessment remains unpaid by the Owner ten (10) days after the notice of Association intent to file suit with Board approval, legal counsel shall file suit for a money judgment, unless the Board, after recommendation by legal counsel, determines that lien foreclosure is advisable under the circumstances. In such cases, legal counsel may file a lawsuit for a money judgment, for foreclosure, or for both a money judgment and a foreclosure, as permitted by applicable law.
7. If the Association is successful in obtaining a money judgment, legal counsel shall collect on the judgment in this order, unless Attorney determines other actions or another order of collection is appropriate under the circumstances: (1) file and send a ten (10) day demand to pay judgment (2) garnish bank accounts, wages and/or rents (3) levy against any personal and real property and (4) levy against the unit. Additional steps may be necessary to determine the availability and location of the judgment debtor's assets. If the Association is successful in a suit to foreclose the lien, legal counsel shall proceed as necessary to complete the foreclosure unless otherwise directed by the Board.

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NOW, THEREFORE, BE IT FURTHER RESOLVED, that all legal fees and costs incurred in the collection of a delinquent account shall be assessed against the delinquent Owner and shall be collected as an assessment as provided in the Bylaws, the Declaration and/or the Oregon Condominium Act.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that all contacts and/or contracts with the delinquent Owner once the account has been turned over to legal counsel shall be through legal counsel representing Association. Neither the Board, nor any of its agents, shall discuss the collection of the account directly with the Owner after it has been turned over to legal counsel, unless one of the Attorney's is present or has consented to contact and/or contract.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that legal counsel shall have the discretion to enter into an installment payment plan with a delinquent Owner in appropriate circumstances. In all cases in which a law suit has been filed, any such plan must be secured by a Stipulated Judgment. Any payment plan providing for a down payment of less than the greater of one-third (1/3) of the delinquent balance or twice the current monthly assessment, or a duration of excess of twelve (12) months shall require approval of the Board of Directors.

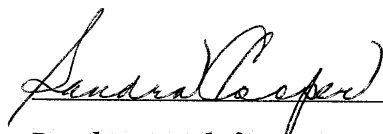
NOW, THEREFORE, BE IT FURTHER RESOLVED, that legal counsel, in its initial demand notice, shall communicate to Owner that the account has been turned over to it for collection, and that all payments are to be made to legal counsel until the account has been brought current. Legal Counsel shall deposit all payments in its trust account. All amounts collected shall be disbursed by legal counsel according to the provisions of the Association and legal counsel representation agreement.

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NOW, BE IT FURTHER RESOLVED, that nothing in this Resolution precludes the Board from taking further action in the collection of unpaid assessments permitted by the Association documents or applicable law, including, but not limited to, adopting or enforcing rules regarding the termination of utility services paid for out of assessments of the association and access to and use of recreational and service facilities available to owners and, after giving notice and an opportunity to be heard, terminate the rights of any owners to receive such benefits or services until the correction of any violation covered by such rule has occurred.

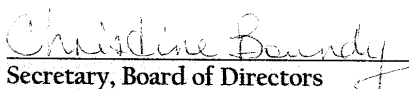
NOW, BE IT FURTHER RESOLVED, that any owner who is more than 3 months delinquent will have the remaining assessments for that fiscal year accelerated and due and payable immediately.

NOW, BE IT FURTHER RESOLVED, that a copy of this resolution shall be sent to all Owners at their last known address.

ATTEST:



President, Board of Directors
Stephanie Terrace Condominium Owners Association



Secretary, Board of Directors
Stephanie Terrace Condominium Owners Association

7-25-09

Date