

HIGHER GROUND HOMEOWNERS ASSOCIATION, INC.

Resolution of the Board of Directors

COLLECTION OF UNPAID CHARGES

DEFINITIONS

"Act" is the *Oregon Planned Community Act*, Oregon Revised Statute (ORS) 94.550 - 94.783.

"Assessments," as used in this Resolution, includes all amounts validly assessed against a Lot or Homesite Owner ("Owner") pursuant to the Declaration, the Association's Bylaws, Rules and Regulations, and any Board of Directors ("Board") Resolutions, including, but not limited to common expenses, interest, fees, fines, attorney fees and all collection costs.

"Association" is the *Higher Ground Homeowners Association, Inc.*

"Bylaws" are the *Bylaws of the Higher Ground Homeowners Association, Inc.*

"Declaration" is the *Declaration of Covenants, Conditions, and Restrictions (CC&Rs) for the Higher Ground Homeowners Association, Inc.*

RESOLUTION

Section 5.4 and Section 7 of the Declaration and Article II Section 1 of the Bylaws allow the Association to adopt rules and enforce compliance with the Declaration, Bylaws, and administrative rules and regulations;

Section 5.4.3.10 of the Declaration and ORS 94.630(1)(n) authorize the Board to establish late charges and fines;

Section 9.2 of the Declaration provides that all assessments, together with interest, attorney fees and costs of collection shall be a continuing lien upon the Lot or Homesite against which each such assessment is made;

Section 9.2 of the Declaration authorizes the Board, on behalf of the Association, to bring suit to foreclose the lien against the Lot or Homesite and/or to bring an action to obtain a money judgment against an Owner for damages and/or for unpaid assessments;

Sections 7.5 and 9.2 of the Declaration provide that Owners shall be obligated to pay reasonable fees and costs including, but not limited to, attorney fees incurred in connection with efforts to collect delinquent and unpaid assessments, to enforce the provisions of the Declaration, Bylaws, rules and regulations or the Act;

Assessments are currently due and payable quarterly in advance on the first day of the quarter's month.

From time to time Owners become delinquent in the payments of their assessments and fail to respond to the demands from the Board to bring their accounts current, and it is imperative assessment payments are timely received;

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

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

1. Pursuant to the authority of the Association as set forth in Section 9.2 of the Declaration and ORS 94.630(1)(n), all assessments shall accrue interest at the rate of 1.5 percent (1.5%) per quarter from the date such assessment is first due.
2. There will be levied a late fee against any assessment account for any assessment which is not paid in full within (30) days of the date such assessment is due, and such late fee shall be fifteen dollars (\$15.00) per quarter on any delinquent amount due.
3. If any assessment remains unpaid by an Owner for more than thirty (30) days from the due date for its payment, the Board or Agent directed by the Board may send a notice to the Owner indicating the amount due, including notice of the late fees and interest, and demand for immediate payment thereof.
4. If any assessment remains unpaid by the Owner sixty (60) days after the date of the demand, the Board, Homeowner Association Manager, or an attorney shall send Owner a ten (10) day demand letter for payment notifying the Owner that if full payment is not received within ten (10) days of the date of the letter the Association intends to file suit to either obtain a money judgment or foreclose on the lien. The demand shall include the updated amount owing, including all collection costs to date. We will begin the collection process by: (a) sending a written demand for payment; (b) preparing and recording a lien against the Owner's Lot or homesite; (c) notifying the Owner within twenty (20) days of recording that the lien has been recorded; and (d) the Board or Agent may notify any first mortgage or trust deed holder of the Owner's default, if applicable. The demand for payment shall notify the Owner of the Owner's liability for payment of charges imposed by the fees and costs associated with all collection efforts. The demand for payment shall include all collection costs to date. The Board can turn over the process and/or collection of this debt to an attorney any time during this process.
5. If any assessment remains unpaid by the Owner ten (10) days after the date of the ten-day demand letter/notice of intent to file suit, the attorney shall file suit for a money judgment, unless the Board, after recommendation by attorney, determines that lien foreclosure is advisable instead or in addition to the suit for money judgment. In such cases, the attorney

may file a lawsuit for a money judgment, for foreclosure, or for both a money judgment and foreclosure, as permitted by applicable law.

6. If the Association is successful in obtaining a money judgment, the Attorney shall collect on the judgment by any means provided by law.

IT IS 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, Declaration and the Act.

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 Attorney, unless one of the Attorneys is present or has consented to the contact.

The Association's attorney shall have the discretion to enter into an installment payment plan with a delinquent Owner in appropriate circumstances. 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 in excess of twelve (12) months shall require approval of the Board president.

Attorney, in the 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 Attorney until the account has been brought current.

Nothing in the Resolution precludes the Board from taking further action in the collection of unpaid assessments permitted by the Association's governing 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, terminating the rights of any Owners to receive such benefits or services until the correction of any violation covered by such rule has occurred.

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

ATTEST:

March 27, 2013

Higher Ground Homeowners Association

Elaine Girardi, President

Jane Wendell, Treasurer