

RESOLUTION OF THE BOARD OF DIRECTORS
OAK HILL SETTLEMENT OWNERS' ASSOCIATION
(COLLECTION RESOLUTION)

WHEREAS, "Declaration" is the *Declaration of Covenants, Conditions, and Restrictions for Oak Hill Settlement*, "Bylaws" is *Bylaws of Oak Hill Settlement*, "Act" is the Oregon Planned Community Act, Oregon Revised Statutes, Chapter 94 and "Association" is *Oak Hill Settlement Owners' Association*;

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

WHEREAS, Article 4, Section 4.23 of the Declaration and Article 4, Section 4.7(1) of the Bylaws allow the Association to adopt rules and enforce compliance with the Declaration, Bylaws, and administrative rules and regulations;

WHEREAS, Declaration Article 4, Section 4.25, Declaration Article 10, Section 10.8(a) and Bylaws Article 4, Sections 4.7(m) and 4.15(f) and Section 6.1(e) authorize the Board to enforce provisions of the Declaration, Bylaws and Rules and Regulations, including action to collect unpaid assessments;

WHEREAS, Declaration Article 10, Section 10.8(b) provides that all assessments, together with interest, attorney fees and costs of collection shall be a continuing lien upon the unit against which each such assessment is made;

WHEREAS, Article 10, Section 10.8(b) of the Declaration authorizes the Board, on behalf of the Association, to bring suit to foreclose the lien against the unit and Article 10, Section 10.8(a) authorizes the Board to bring an action to obtain a money judgment against an Owner for damages and for unpaid assessments;

WHEREAS, Article 10, Section 10.8(b) of the Declaration provides 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, regardless of whether suit or action is commenced, and to enforce the provisions of the Declaration, Bylaws, rules and regulations or the Act;

WHEREAS, assessments are currently due and payable annually in advance on the first day of each calendar year;

WHEREAS, from time to time Owners become delinquent in the payments of assessments and fail to respond to the demands from the Association to bring accounts current;

WHEREAS, pursuant to Article 10, Section 10.8(c) of the Declaration interest at a rate to be established by the Board from time to time shall accrue on all unpaid charges;

WHEREAS, pursuant to Article 10, Section 10.8(c) of the Declaration, and ORS 94.630, a late charge may be charged for each delinquent assessment in an amount established by resolution of the Board;

WHEREAS, the Board deems it in the Association's best interest to adopt a
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procedure for the collection of unpaid assessments in order to provide general guidance to the Officers of the Association, the management company, and counsel and others concerning the prosecution of such collection efforts, and to set consistent, but flexible policy regarding the collection of past due assessment accounts in order to maximize recovery of assessments while considering the cost to the Association of pursuing collection of the same;

NOW, THEREFORE, IT IS RESOLVED, that the following policies are adopted regarding the collection of unpaid assessments:

1. **Interest on Past Due Assessments.** All assessments shall accrue interest at the rate of twelve percent (12%) from the date such assessment is first due.

2. **Late Fee.** There is hereby levied a late fee against any assessment account for any assessment which is not paid in full within fifteen (15) days of the date such assessment is due; and such late fee shall be \$20.00;

3. **Initial Notice to Owner of Past Due Account (30 Day Notice).** If any assessment remains unpaid by an Owner for more than thirty (30) days from the due date for its payment, the Association shall send a notice to the Owner indicating the amount due, including notice of the late fees and interest, and demand for prompt payment thereof.

4. **Second Notice to Owner (60 day notice).** If the past-due assessment account remains unpaid by an Owner for more than sixty (60) days from its due date, the Association shall send a notice to the Owner indicating the amount then due, including late fees and interest, and any other additional charges, and requesting prompt payment thereof. The notice shall also advise the owner that the account may be referred for collection pursuant to the provisions of this Resolution. The Notice may also include a Notice of Intent (NOI) to record a Notice of Claim of Lien pursuant to ORS Chapter 94, or such NOI may be sent separately thereafter, as the Board may direct or, in the absence of other direction, pursuant to and at the discretion and best practices of the professional management company.

5. **Referral for Collection.** If the assessment account remains unpaid ten (10) days after the Second Notice to Owner, the Board may elect to take further collection action on the account, or the Board may defer such action until the past-due amount of the account exceeds \$1,000, in the discretion of the Board. The Board may refer an account for collection to an attorney, or to a collection agency, as the Board may deem appropriate to the circumstances of the particular case. The Board may also, where it is deemed in the best interest of the Association and where authorized by law, assign its rights to a cause of action to collect against an owner in exchange for a payment, after weighing the cost to the Association versus the benefits to be gained by an immediate, but lesser payment on the amount due. Finally, the Board may elect to pursue a small claims action against the Owner to reduce the claim to judgment in small claims prior to referral of the matter to a third party for collection of such judgment, if the Board deems the same as in the best interest of the Association and capable of being prosecuted by a Board member or Officer of the Association in the Association's name.

6. **Management of Collection Accounts after Referral to Attorney or Collection Agency.** If the assessment account is referred to an attorney or collection agency for collection, the Board delegates to the President of the Association to manage the day-to-day contact with the attorney or collection agency, and delegates authority to the President of the Association to settle any collection matter, if recommended by the attorney or collection agency (as applicable) by entry into an installment payment plan before or after filing of any action to recover past due assessments; provided, however, that if before filing of an action, the proposed settlement installment payment plan provides for less than 50% of the past-due assessment as an initial up-front payment, OR the proposed settlement payment plan provides for the balance of payments to

be paid over a period in excess of 18 months, the President shall refer the matter to the Board as to whether the proposed settlement agreement is in the best interest of the Association and obtain the Board's determination as to whether to accept the settlement agreement.

7. **Legal fees and Costs.** Legal fees and costs (whether statutorily recoverable or not) incurred in the collection of a delinquent account shall be assessed against the delinquent Owner and the property as an assessment and shall be collectible as an assessment as provided in the Planned Community Act, the Declaration, and the Bylaws and herein by this policy, unless otherwise reduce or compromised by settlement agreement, as provided herein, or by decision of the Board of Directors.

8. **Acceleration of Annual Assessment.** Regular Assessments are annual in nature, although payable in monthly installments. The Board may, in its discretion and pursuant to Declaration Section 10.8(d), upon 10 days' written notice to the Owner, accelerate the due date of the entire remainder of the full annual assessment due from the Owner for the current fiscal year, and all future installments of any special assessments.

9. **Savings Clause; Other Actions.** Nothing herein shall be construed to preclude the Board of Directors from taking such other action in lieu of, or together with actions described herein, in furtherance of the collection of unpaid assessments or the settlement and compromise of the same, permitted by the Association's governing documents or applicable law, including, but not limited to, the use or adoption of enforcement options regarding the termination of utility services paid for out of assessments of the Association, or access to and use of recreational and service facilities available to owners.

10. **Distribution of Resolution.** A copy of this resolution shall be distributed to all Owners pursuant to Declaration Section 10.8 at the address on file with the Association.

Adopted this 3 day of May, 2012.

BOARD OF DIRECTORS, Oak Hill Settlement Owners' Association, an Oregon nonprofit corporation.

By: John Miller

Its: President

Attest: _____

Its Secretary: _____