

ARBOR TERRACE HOMEOWNERS ASSOCIATION
Resolution Number Two - Assessment and Compliance Payment Policy

WHEREAS, Article 4, Section 4.24 Association Rules and Regulations, Article 10, Funds and Assessments, Article 11, Section 11.3 Enforcement; Attorneys' Fees, of the Declaration, and Article 4, Section 4.7 Powers, Article 6, Section 6.1 Assessments, of the Bylaws describes the general powers, obligations, and duties of the Board of Directors and other passages of the Declaration and Bylaws describe the duties and obligations of the owners of Arbor Terrace Homeowners Association, a nonprofit corporation formed under the laws of the State of Oregon (see Articles of Incorporation), and responsibility of owners to meet the financial obligations of the Association;

AND WHEREAS, each owner shall be deemed to pay to the Association all assessments or other charges as may be fixed, established, and collected from time to time; and whereas the economic well being of the Association is dependent on the timely payment by lot owners of all assessments, fees, and charges payable to the Association;

AND WHEREAS the Board of Directors has the responsibility and authority to collect funds owed to the Association, based on the authority bestowed by the Bylaws and Declaration, the Oregon Planned Communities Act, ORS 94.550-94.785, lien law, ORS 87.352 to 87.382, and foreclosure of liens law per ORS Chapter 88; the Board of Directors hereby adopts the following payment policy as it applies to all areas where owners owe monies to the Association, including, but not limited to the following areas: maintenance fee/assessments; special assessments; fines for rules violations; fines for architectural and landscaping violations; repairs to the common areas where an individual owner's responsibility applies; and fees charged by those representing or acting on behalf of the Association (e.g., including, but not limited to: managing agent, accountants, attorneys, and collection agencies, as well as court costs, arbitration fees, or other costs associated with collection of funds owed to the Association).

NOW, THEREFORE, BE IT RESOLVED THAT the following shall apply:

- Payment Schedule. The Board of Directors will identify payment schedules for various assessments and fees payable to the Association. The regular maintenance fee/assessment fee is payable on monthly basis, in advance, on the first day of each month, and becomes delinquent after the 10th day of the payment due month. The Association provides coupons for direct bank deposit. Owners have the option of direct debit in lieu of paying by check.
- Payment Application. Funds received are applied to the oldest balance first.
- Late Fees/Interest/Other Charges. A late fee of \$50 is applied when a delinquency first occurs. A minimum \$50 invoice/statement charge will apply each month to the outstanding delinquency, regardless of the amount due. The Association may also begin assessing interest at the rate of 12% per annum, in addition to the normal late fees and charges. NSF check charges are \$50 each occurrence. Certified and/or Registered letters are also \$50 each. These fees and charges are set to offset expenses to the Association.

- Lien Filing. The Association reserves the right to file a lien for delinquent funds at such time as the Board of Directors deems appropriate. However, a lien will be filed for all accounts that are 60 days delinquent and having a balance due of \$200 or more. All costs for handling the processing, preparation, recording and satisfying liens shall be paid by the owner. The first mortgage holder, if any, may be notified of any lien filing.
- Collection/Compliance/Legal Services. In the event the Association refers a delinquent account to its attorney for collection or enforcement of any of the Association's Rules, Resolutions, Policies, Bylaws, or Declaration, the owner will be responsible to pay for the Association's reasonable attorneys fees whether or not a lien is filed or a lawsuit is commenced. If a lawsuit is commenced, the owner shall pay the Association's reasonable attorneys fees in connection with that lawsuit, including fees incurred on any appeal. The Board may also authorize the collection of funds by other legal means with collection costs to be paid by the owner.
- Association Administrative Fees. The Association will charge, in addition to the above-mentioned charges and fees, the following: charges for filing fees, postage, facsimile charges, mileage and time-related charges of personnel, fees charged by the Managing Agent to collect funds payable to the Association; foreclosure action or deed in lieu of foreclosure, owner or vendor bankruptcy, including but not limited to notification, filing and satisfying liens; enforcement of Association's Declaration and Bylaws, rules and policies; litigation (pre-, court and post-); coordinating services and repairs to the Association's common areas that result from the acts of owners and/or their tenants, guests, contractors, business invitees, etc.; special projects and items that are not part of the routine activities of the Association and/or as provided in the Association's contract with the Managing Agent. The Association also charges a fee for change in Association records due to name changes and transfer of ownership, completion of forms required by mortgage lenders and others, with the fee(s) typically paid by the new owner.

Approved by the Board of Directors on June 14, 2007.