

**ARBOR TERRACE HOMEOWNERS ASSOCIATION**  
**Resolution Number six – Collection of Delinquent Assessments**

**WHEREAS**, the Board previously adopted a resolution effective on June 14, 2007 regarding the Assessment and Compliance Payment Policy;

**WHEREAS**, the Board desires to revise and update the Association's Assessment and Compliance Payment Policy in relation to the collection of delinquent assessments;

**WHEREAS**, Section 6.1 of the Bylaws of Arbor Terrace Homeowners Association (the "Bylaws") authorize and direct the Association to assess and collect assessments in accordance with the relevant provisions of the Declaration of Covenants, Conditions and Restrictions for Arbor Terrace (the "Declaration");

**WHEREAS**, an assessment is any charge imposed or levied by the Association on or against an owner or lot pursuant to the provisions of the Declaration, the Bylaws, Board Resolutions, or the Oregon Planned Community Act;

**WHEREAS**, Section 10.8(c) of the Declaration provides that the Board may from time to time adopt resolutions to set the rate of interest, and to impose late fees, fines and penalties on delinquent assessments;

**WHEREAS**, the Board believes it is in the best interest of the Association and its members to compensate for the administrative and processing costs of late payments by establishing a \$35.00 late charge (the "Association Late Charge Fee");

**WHEREAS**, the Board believes it is in the best interest of the Association to continue to charge 12% interest per annum on all delinquent accounts (the "Association Interest Charge");

**WHEREAS**, an owner defaults in the payment of any assessment if the assessment is not paid within ten (10) days after it is due; and

**WHEREAS**, the Board deems it to be in the best interests of the Association to adopt a uniform and systematic procedure for dealing with delinquent accounts in a timely manner so as to minimize the Association's loss of assessment revenue;

**NOW, THEREFORE,**

**IT IS RESOLVED**, pursuant to ORS 94.630(1)(n) and Section 10.8(c) of the Declaration, that there is levied against any defaulting owner the Association Late Charge Fee, the Association Interest Charge, and other applicable collection costs, which amounts are authorized and directed to be charged to the owner's assessment account and collected from the delinquent owner;

**RESOLVED FURTHER**, that any payments received by the Association will be applied to the oldest balance of a delinquent account and that the Association Late Charge Fee will apply each month if there is any outstanding balance on a delinquent account;

**RESOLVED FURTHER**, that the Association's attorneys shall pursue all collection and other matters which the Board, acting through the Manager, may from time to time refer to them and that the following policies apply to all delinquent accounts turned over to the Association's attorneys for collection:

1. Pursuant to ORS 94.630(1)(n), all attorney fees and costs incurred in the collection of a delinquent account are hereby assessed against the delinquent homeowner.

2. The Association's attorneys are authorized to enter into a written installment payment agreement with the homeowner on behalf of the Association upon the approval of the Association President or Treasurer.

3. If, at the end of the period specified in the Association attorneys' initial collection notice, an account remains delinquent and without a written installment payment agreement, or in the event of a default under the terms of a written installment payment agreement, the Association's attorneys are authorized to take further action, including, but not limited to: (1) Filing a lien against the unit; (2) Sending a demand letter to the delinquent homeowner; (3) Notifying the first mortgage holder, if any, of the delinquency; (4) Instituting legal action against the delinquent homeowner for money due; or (5) Instituting legal action for foreclosure of the Association's lien.

**RESOLVED FURTHER**, that except as modified herein and relating to the collection of delinquent assessments, all other policies and procedures that were adopted by the Board in Resolution Number Two – Assessment and Compliance Payment Policy effective on June 14, 2007 remain in full force and effect.

**RESOLVED FURTHER**, that the officers of the Association are hereby authorized and directed to take any and all actions that they deem appropriate or advisable to effectuate the purpose and intent of the foregoing Resolution.

**RESOLVED FURTHER**, that a copy of this written consent shall be delivered or mailed to each member of the Association in accordance with the requirements of ORS 94.630(1)(n).

**RESOLVED FURTHER**, that the effective date of this Resolution is July \_\_, 2011.

**ARBOR TERRACE HOMEOWNERS ASSOCIATION**  
**RESOLUTIONS ACTION RECORD**

Resolution # 6

Regarding: **Collection of Delinquent Assessments**

Duly adopted at a meeting of the Board of Directors held on Sept. 13, 2011

Motion by: Amy Boyle      Seconded by: Courtney Atwood

DIRECTORS	<u>VOTE:</u>			
	<u>YES</u>	<u>NO</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
<u>Courtney Atwood</u> Print Name	X	---	---	---
<u>Amanda McMullen</u> Print Name	X	---	---	---
<u>Amy Boyle</u> Print Name	X	---	---	---
<u>Nicole Holder</u> Print Name	X	---	---	---

ATTEST:

Amanda McMullen  
Secretary

9-13-2011  
Date