

NEWPORT HILLS HOMEOWNERS ASSOCIATION, INC.

Resolution of the Board of Directors

COLLECTION OF UNPAID CHARGES

WHEREAS, "Declaration" is the *Declaration of Covenants, Conditions, and Restrictions for Newport Hills Homeowners Association*, "Bylaws" is *Bylaws of Newport Hills Homeowners Association, Inc.*, "Act" is the *Oregon Planned Community Act*, ORS 94.550 – 94.783 and "Association" is *Newport Hills Homeowners Association*;

WHEREAS, "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;

WHEREAS, Article IV, section 3.8 of the Bylaws allow the Association to adopt rules and enforce compliance with the Declaration, Bylaws, and administrative rules and regulations;

WHEREAS, Article VI, section 3 of the Bylaws and ORS 94.630(1) (n) authorize the Board to establish late charges and fines;

WHEREAS, Article VI, Section 3 of the Bylaws provides that all assessments, together with interest, attorney fees and costs of collection shall be a continuing lien upon the homesite against which each such assessment is made;

WHEREAS, Article XI of the Bylaws & Section 5 paragraph 5.5 of the CC&Rs authorizes the Board, on behalf of the Association, to bring suit to foreclose the lien against the homesite and/or to bring an action to obtain a money judgment against an Owner for damages and/or for unpaid assessments;

WHEREAS, Article XI of the Bylaws 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, 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 every January, no later than the last day in January. Optional payment plans for quarterly, semi-annually or annually are provided at the Owners request.

WHEREAS, 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;

WHEREAS, pursuant to Section 5, paragraph 5.5 of the CC&Rs interest at the rate of 9% per annum, or the maximum legal rate, on the principal amount due, and late fees of \$10.00 per month after 30 days past due;

WHEREAS, 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.

NOW, THEREFORE, IT IS RESOLVED, that pursuant to the authority of the Association as set forth in Article IV, section 3.8 of the Bylaws and ORS 94.630(1) (n), there is hereby levied a late fee against any assessment account for any assessment which is not paid in full within thirty (30) days of the date such assessment is due; and such late fee shall be ten dollars (\$10.00) per month after (30) days late on any delinquent amount due.

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. All assessments shall accrue interest at the legal rate of nine percent 9 % per annum or .75% per month from the date such assessment is thirty (30) days late.
2. If any assessment remains unpaid by an Owner for more than ninety (90) days from the due date for its payment, the Board or Agent directed by the Board shall send a notice to the Owner indicating the amount due, including notice of the late fees and interest, and demand for immediate payment thereof.
3. If any assessment remains unpaid by the Owner for more than ninety (90) days from the due date for its payment, the Board or Agent directed by the Board, shall begin the collection process by: (a) sending a written demand for payment; (b) prepare and record a lien against the Owner's homesite; (c) notify the Owner within ten (10) days of recording that the lien has been recorded; and (d) *may* notify any first mortgage or trust deed holder of the Owner's default, if applicable. The lien amount shall include all collection costs to date, including any fees and/or costs of preparing and/or recording the lien, any notice of lien required by law, and any notice to a first mortgage holder, if applicable. The demand for payment shall notify the Owner of the Owner's liability for payment of charges imposed by to cover 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 the Association's Attorney any time during this process.
4. If any assessment remains unpaid by the Owner ten (10) days after the date of the demand, Board, Homeowner Association Manager, or Association's 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.
5. If any assessment remains unpaid by the Owner ten (10) days after the ten-day demand letter/notice of intent to file suit, the Association's Attorney shall file suit for a money judgment, unless the Board, after recommendation by Attorney, determines that lien foreclosure is advisable under the circumstances. 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 Association's Attorney shall collect on the judgment by any means provided by law.

NOW, 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, Declaration and the Act.

NOW, BE IT FURTHER RESOLVED that 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 and/or contract.

NOW, BE IT FURTHER RESOLVED, that 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.

NOW, BE IT FURTHER RESOLVED, that Attorney, 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 Attorney until the account has been brought current.

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'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, 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 a copy of this resolution shall be sent to all Owners at their last known address.

ATTEST:



Board of Directors

Newport Hills Homeowners Association, Inc.



Board of Directors

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Date: Aug 10 2016