

**LAKE OSWEGO TOWNHOMES HOMEOWNERS ASSOCIATION**

**Resolution of The Board of Directors**

WHEREAS, "assessments," as used in this Resolution, includes all amounts validly assessed against a Unit Owner ("Owner") pursuant to the *Restated Declaration of Protective Covenants, Conditions and Restrictions for Lake Oswego Townhomes* (hereinafter "Declaration"); *Restated Bylaws of Lake Oswego Townhomes Homeowners Association* (hereinafter "Bylaws"), Rules and Regulations, and any Board of Director Resolution, including, but not limited to common expenses, interest, fees, fines, attorney fees and all collection costs;

WHEREAS, the Declaration, Bylaws, and Rules and Regulations are binding upon the Owners;

WHEREAS, the Declaration, Article 9.2, 9.3, 13.4; and Bylaws Article III authorize the Board to enforce provisions of the Declaration, Bylaws and Rules and Regulations, including action to collect unpaid assessments;

WHEREAS, the Declaration, Article 8.9 provides for interest at the rate of 9% per annum on all delinquent assessments; the Bylaws, Article III, Section 1E provides that the Board may set reasonable late fees, and may impose fines after giving notice and an opportunity to be heard;

WHEREAS, the Declaration, Article 8.1; and Bylaws Article VI, Section 6 provide 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, the Declaration Article 8.9 and 13.4; and Bylaws Article VI, Section 6 authorize the Board, on behalf of the Association, to bring an action to foreclose the lien against the Unit or to bring an action to obtain a money judgment against an Owner for damages and/or for unpaid assessments;

WHEREAS, the Declaration, Article 13.6 and 8.1; and Bylaws Article VI, Section 6 provide that Owners shall be obligated to pay fees and costs including, but not limited to, attorney fees incurred in connection with efforts to collect delinquent and unpaid assessments; and/or to enforce the provisions of the Declaration, Bylaws, and Rules and Regulations;

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

1. If any assessment remains unpaid by an Owner for more than thirty (30) days from the due date for its payment, the Board or its agent shall send a notice to the Owner indicating the amount due, including notice of any interest; and demand payment thereof.
2. If any assessment account has a balance in excess of \$500 and is more than sixty (60) days from the due date for its payment, the Board shall send the Owner a demand in the form of Exhibit A attached hereto.
3. If the assessment account has a balance in excess of \$500 and remains unpaid by the Owner for more than ninety (90) days from the due date for its payment, the Board shall turn collection over to the Association's attorney ("Attorney"), who shall (a) send a written demand for payment and any notice as required by the federal Fair Debt Collection Practices Act, if applicable; (b) prepare and record a lien against the Owner's unit within 45 days of receiving the file; (c) notify the Owner within twenty (20) 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 attorney's fees and the cost 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 Attorney to cover fees and costs associated with all collection efforts. The demand for payment shall include all collection costs to date.
4. If any assessment remains unpaid by the Owner thirty (30) days after the date of Attorney's demand, Attorney shall send Owner a ten (10) day demand letter for payment notifying the Owner that if full payment is not received within 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 attorney's 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 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, Attorney shall collect on the judgment in this order, unless the attorney determines other actions or another order of collection is appropriate under the circumstances: (1) file and send a ten (10) day demand to pay judgment; (2) garnish accounts, wages and/or rents; (3) levy against any personal and real property; and (4) levy against the Unit. Additional steps may be necessary to determine the availability and location of the judgment debtor's assets. If the Association is successful in a lawsuit to foreclose on the lien, Attorney shall proceed as necessary to complete the foreclosure unless otherwise directed by the Board.

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 Declaration and any applicable addendums and amendments thereto.

BE IT FURTHER RESOLVED, that all contacts and/or contracts with the delinquent Owner shall be through Attorney. 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.

BE IT FURTHER RESOLVED, that Attorney shall have the discretion to enter into an installment payment plan with a delinquent Owner, before or after filing a lawsuit, in appropriate circumstances. In cases where a lawsuit has been filed, any such plan must be secured by a Judgment. 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.

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. Attorney shall deposit all payments in its trust account. All amounts collected shall be disbursed by Attorney according the provisions of the Association and Attorney representation agreement.

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.

BE IT FURTHER RESOLVED, that the Board is directed to consult with Attorney and turn over for collection immediately any outstanding account where the Owner files or is the subject of a petition for relief in bankruptcy or a lender has commenced any action for foreclosure of its lien against the Unit.

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

ATTEST:

Paula Ford  
Chair (President), Board of Directors,  
Lake Oswego Townhomes Homeowners Association

Lani Parker  
Secretary Treasurer

Paula Ford  
Print name

LANI PARKER  
Print name  
Treasurer

Date: Dec 19, 2003

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

ATTEST:

Paula Ford

Chair (President), Board of Directors,  
Lake Oswego Townhomes  
Homeowners Association

LAMI PAWEL

~~Treasurer~~  
Secretary, Board of Directors  
Lake Oswego Townhomes  
Homeowners Association

Paula Ford

Print name

LAMI PAWEL

Print name

Date: Dec 19, 2003