

WHEATHERSTONE PROPERTY OWNERS ASSOCIATION

Resolution of the Board of Directors

COLLECTION OF UNPAID HOA ASSESSMENTS

RECITALS

A. The Board of Directors of the Association is charged with the responsibility to establish, assess and collect homeowner assessments.

B. The Board deems it in the best interest of the Association and the owners to adopt a uniform and systematic procedure for the collection of unpaid assessments that assures that unpaid assessments are timely and efficiently collected to minimize the loss of assessment revenue.

C. To ensure that unpaid assessments are efficiently and effectively collected, the Board of Directors has entered into an agreement with Vial Fotheringham LLP (“VF”) to undertake collection and enforcement of delinquent assessments on behalf of the Association.

NOW, THEREFORE, IT IS RESOLVED that:

I. The rules governing collection of delinquent assessments set forth below be adopted to provide for the uniform and systematic procedure for the collection of unpaid assessments.

II. A copy of this Resolution be sent to all owners at their address as shown in the records of the Association.

ARTICLE I

**AUTHORITY, DUTIES AND OBLIGATIONS
UNDER GOVERNING DOCUMENTS & ACT**

1.1 “**Declaration**” is the Amended and Restated Declaration of Unit Ownership of Wheatherstone, a Condominium, recorded October 14, 2005, as document number 2005-102195, in Clackamas County, Oregon including any amendments thereto.

1.2 “**Bylaws**” is the duly adopted Amended and Restated Bylaws of Wheatherstone Property Owners Association, recorded on November 15, 2005, as 2005-114298, in the records of Clackamas County, Oregon, including any amendments thereto.

1.3 “**Act**” is the Oregon Condominium Act, ORS Chapter 100.

1.4 **Specific Authority and Duties.**

(a) Section 7.1.2 of the Bylaws, and ORS 100.405(4)(a) allow the Association to adopt rules and enforce compliance with the Declaration, Bylaws, and Rules and Regulations.

(b) Under Section 7.8 of the Declaration and Sections 6.5(d) and 9.1 of the Bylaws, the Board may enforce provisions of the Declaration, Bylaws and Rules and Regulations, including by action to collect unpaid assessments.

(c) Section 7.8 of the Declaration and ORS 100.405(4)(k) authorize the Board to establish late charges and fines for delinquent assessments.

(d) Section 7.1.2 of the Declaration, Section 9.3 of the Bylaws, and ORS 100.450 authorize the Board, on behalf of the Association, to bring suit to foreclose the lien against the unit.

(e) Sections 17.1 of the Declaration and ORS 100.450 authorize the Board to bring an action to obtain a money judgment against an Owner for damages and for unpaid assessments.

(f) Section 9.2.1.1 of the Bylaws and ORS 100.450(4)(c) provide that late charges, fines, interest, attorney fees and costs of collection are enforceable as assessments.

1.5 Obligations.

(a) Under Section 7.1 of the Declaration and Section 9.1 of the Bylaws, owners are obligated to pay assessments.

(b) In accordance with Section 7.5 of the Declaration specifies that assessments are currently due and payable in advance on the fifteenth (15th) day of the first month of each quarter (i.e. January 15th, April 15th, July 15th, October 15th)

(c) In accordance with Section 7.9 of the Declaration, an assessment is “delinquent” if not paid within thirty (30) days of its due date.

(d) Under Sections 7.8 and 17.1 of the Declaration and ORS 100.450, all assessments, together with interest, attorney fees and costs of collection are a continuing lien on the unit against which the assessments are imposed.

(e) Under Sections 7.8 and 17.1 of the Declaration and ORS 100.470, owners are 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 a suit or action is commenced.

ARTICLE II

INTEREST LATE FEES AND OTHER COSTS

Pursuant to Section 1.4 above, the following apply to delinquent and unpaid assessments:

2.1 Interest. In accordance with Section 7.8 of the Declaration, interest at a rate established by the Board will accrue on all delinquent assessments from date the assessment was first due. The current interest rate is ten percent (10%) per annum. Owners are not liable for interest until after an assessment is delinquent (past due for 30 days).

2.2 Late Charge. In accordance with Section 7.8 of the Declaration and ORS 100.405(4)(k), any assessment that is delinquent as set forth in Section 1.5(c) above will be charged a late charge in an amount of thirty-five dollars (\$35.00).

2.3 Other Costs. All costs of collection as set forth in Subsections (a), (b) and (c) of this section are imposed against the owner and are due when incurred in the amounts incurred, regardless of whether suit or action is commenced. Collection costs include, without limitation, the following:

(a) **Management Company Charges.** Collection charges imposed by the management company, if included in the contract between the Association and the management company, including reasonable mailing costs, recording fees, time spent for account maintenance, and other similar expenses.

(b) **Attorney Fees.** Any attorney fees for work performed with respect to the assessment account such as file intake; preparing calculations; consultations and telephone calls with the Association, owners, court, witnesses and other individuals involved in the process; legal research; drafting and preparing legal documents; drafting and preparing letters; depositions; trial preparations; travel time; investigations; court appearances; analyzing the account to determine the appropriate action; and preparing and attending post judgment proceedings.

(c) **Other Costs.** All expenses such as recording fees, postage costs, copy costs, service costs, court costs, filing fees, paralegal fees, private investigator fees, garnishment fees and other similar expenses.

ARTICLE III **PROCEDURE**

3.1 Association Lien. When an assessment is levied against a unit and owner, the Association or an agent of the Association may cause a lien to be recorded in the Records of Clackamas County, Oregon.

3.2 Association Invoice and Notice of Delinquency. The Association may use informal procedures to inform owners of delinquent assessments prior to sending formal demand letters below, including notifying an owner within seven to ten (7-10) days after the due date when an assessment is past due. The Association may again notify the owner seven (7) days before an assessment becomes delinquent. The Association will use best efforts to send an invoice for assessments to the most current address provided by the Owner, or to the unit itself, at least 30 days in advance of the due date. A failure to strictly follow such informal procedures, to provide thirty (30) days advanced billing or the failure of any owner to receive such billing does not affect either the validity of the assessment or the due date.

3.3 Association Payment Demand Letter. If an assessment has not been paid within sixty (60) days of the due date, the Association or its agent will send the owner a formal written payment demand letter (“Association Payment Demand Letter”) in substantially the form set forth in attached Exhibit A that includes a:

- (a) Statement of the amount due under the assessment account.
- (b) Demand for immediate payment.
- (c) Notice if the stated amount due is not paid by the turnover date, the assessment account will be turned over to VF for collection in accordance with the Collection Resolution.
- (d) Statement that the owner is responsible for the payment of all costs for collection incurred, as specified in the Collection Resolution, and the costs constitute assessments against the owner and the unit.

3.4 Turnover of Assessment Account to VF.

(a) Subject to Subsection (b) of this section, when an assessment remains unpaid after the turnover date specified in the Association Payment Demand Letter given under Section 3.3 above, Association or its agent will turn over the assessment account to VF in accordance with the CFE Agreement. VF will proceed as provided in the VF Agreement and this Resolution.

(b) After the assessment account is turned over to VF, all contact and communications with the owner regarding the assessment account must be with VF, unless VF gives written consent otherwise.

3.5 Initial VF Payment Demand; Recording of Lien. When an assessment account is turned over to VF, VF will:

(a) Initial VF Payment Demand. Send a written demand for payment (“Initial VF Payment Demand”) to the owner. The Initial VF Payment Demand must include a demand that all moneys due under the assessment account be paid within thirty (30) days.

(b) Association Lien. Prepare an Association lien against the unit and cause the lien to be recorded in the Records of Clackamas County, Oregon, if an Association lien has not been recorded in the Records of Clackamas County, Oregon.

3.6 Final VF Payment Demand. If the total amount due is not paid by the date stated in the Initial VF Demand Payment under Section 3.5 above, or arrangement for payment made in accordance with Section 3.9 below, VF will send a final demand letter (“Final VF Payment Demand”) that demands payment of all moneys due under the assessment account within ten (10) days.

3.7 Legal Action. If the assessment, including all costs specified in Article II above, are not paid by the date specified in the VF Final Payment Demand given under Section 3.6 above, or arrangement for payment made in accordance with Section 3.9 below, VF, on behalf of the Association, will initiate a lawsuit for a personal money judgment against the owner or foreclose the Association lien against the unit.

3.8 Execution/Enforcement of Judgment. After VF obtains a judgment, VF will begin collection of the judgment by any one or combination of the following:

- (a) Garnishing the owner's bank account.
- (b) Garnishing the owner's wages.
- (c) Executing a writ against the owner's real or personal property.
- (d) Any additional methods authorized by law.

3.9 Payment Plans.

(a) Subject to Subsection (b) of this section, a payment plan proposed after the assessment account is turned over to VF must be:

- (1) Approved by VF and the Board of Directors of the Association;
and
- (2) Secured by a Confession of Judgment or Stipulated Judgment.

(b) A payment plan approved under Subsection (a) of this section is not effective until a confidential statement of assets form provided by VF is completed and executed by the owner and submitted to VF.

3.10 Payments. After the assessment account has been turned over to VF, all payments must be made to VF.

3.11 Disbursal of Funds. Funds will be disbursed to the Association in accordance with the VF Agreement that provides as follows:

(a) When payments are received, they are split 50/50 between two expense categories: fifty percent (50%) of the payment is applied to past due assessments and non-attorney related collection charges and fees and fifty percent (50%) is applied to attorney related charges and fees.

(b) Each payment will be split as provided under Subsection (a) of this section until one of the expense categories is paid in full. After one of the expense categories is paid in full, all of the remaining payments will be applied to the remaining balance in the other expense category.

3.12 Owner Responsibility; Other Remedies.

(a) Owner Responsibility For Payment of Assessments. Regardless of any procedure prescribed under this Resolution, it is the responsibility of the owner to ensure that assessments are paid when due.

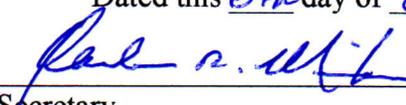
(b) Owner Responsibility To Update Address. It is the sole responsibility of the owner to notify the Association in writing of any change of owner mailing address.

(c) Other Association Remedies. Nothing in this Resolution prevents the Association from taking any other actions against an owner, including termination of utilities and preventing the owner from access to recreational or service facilities, if provided under the Governing Documents or the Act.

CERTIFICATION OF ADOPTION

The undersigned, Secretary of the Association, hereby certifies that the foregoing resolution is a true record of a resolution adopted by the Board of Directors at a meeting of the Board of Directors held in accordance with the Bylaws of the Association on OCTOBER 6, 2014.

Dated this 6th day of OCTOBER, 2014.



Secretary

Board of Directors

Wheatherstone Property Owners Association

An Oregon nonprofit corporation