

**JACKSON SCHOOL HOMEOWNERS ASSOCIATION**  
**BOARD OF DIRECTORS RESOLUTION REGARDING**  
**COLLECTION OF ASSESSMENTS AND ENFORCEMENT**

WHEREAS, ORS 94.630(1)(m) and (n) states:

**“94.630 Powers of association.** (1) Subject to subsection (2) of this section and except as otherwise provided in its declaration or bylaws, a homeowners association may: ... (m) Adopt 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. (n) Impose charges for late payment of assessments and attorney fees related to the collection of assessments....”

WHEREAS, ORS 94.704(10)(a) and (b) states:

**“94.704 Assessment and payment of common expenses.** ... (10)(a) A lot owner may not claim exemption from liability for contribution toward the common expenses by waiving the use or enjoyment of any of the common property or by abandoning the owner’s lot. (b) An owner may not claim to offset an assessment for failure of the association to perform the association’s obligations.”

WHEREAS, ORS 94.709(1), (5) and (7) states:

**“94.709 Liens against lots; priority; duration; record notice of claim of unpaid assessment; foreclosure procedure.** (1) Whenever a homeowners association levies any assessment against a lot, the association shall have a lien upon the individual lot for any unpaid assessments. The lien includes interest, late charges, attorney fees, costs or other amounts imposed under the declaration or bylaws or other recorded governing document. The lien is prior to a homestead exemption and all other liens or encumbrances upon the lot except: (a) Tax and assessment liens; and (b) A first mortgage or trust deed of record ... (5) Unless the declaration or bylaws provide otherwise, fees, late charges, fines and interest imposed pursuant to ORS 94.630 (1)(L), (n) and (o) are enforceable as assessments under this section ... (7) An action to recover a money judgment for unpaid assessments may be maintained without foreclosing or waiving the lien for unpaid assessments. However, recovery on the action operates to satisfy the lien, or the portion thereof, for which recovery is made.”

WHEREAS, ORS, 94.712(1) and (2)(a) states:

**“94.712 Lot owner personally liable for assessment; joint liability of grantor and grantee following conveyance; limitation.** (1) Except as provided in subsection (4) of this section, an owner is personally liable for all assessments imposed on the owner or assessed against the owner’s lot by the homeowners association. (2)(a) Subject to paragraph (b) of this subsection, in a voluntary conveyance of a lot, the grantee shall be jointly and severally liable

with the grantor for all unpaid assessments against the grantor of the lot to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor."

WHEREAS Article IX, Sections 9.1.2, 9.6 and 9.7 of the Restated Declaration of Protective Covenants, Conditions and Restrictions for Jackson School ("Declaration") states:

"9.1.2 Method of Payment. The Association Board of Directors may fix a regular flat assessment upon a monthly, quarterly or annual basis. The Board shall advise each Owner in writing of the amount of assessments payable by him and furnish copies of each budget on which such assessments are based to all Owners and if requested, to their mortgagees."

"9.6 Duty of the Board of Directors. The Board of Directors shall fix the amount of the regular assessment against each unit at least thirty (30) days in advance of each assessment period. Written notice of any assessment shall be sent to every Owner subject thereto and to any first mortgagee requesting such notice. The due dates shall be established by the Board of Directors. The Board of Directors shall cause to be prepared a roster of the units showing assessments applicable to each unit. The roster shall be kept in the Association office and shall be subject to inspection by any Owner or mortgagee during regular business hours. Upon demand, and for a reasonable charge, the Board of Directors shall furnish to any Owner or mortgagee a certificate in writing setting forth whether the assessments on such Owner's unit have been paid."

"9.7 Creation of Lien and Personal Obligation of Assessments. Developer, for each unit owned by it within the Property, does hereby covenant, and each Owner of any unit by acceptance of a conveyance thereof, whether or not so expresses in any such conveyance, shall be deemed to covenant to pay to the Association all assessments or other charges as may be fixed, established and collected from time to time in the manner provided in this Declaration. Such assessments and charges, together with any interest, expenses and attorneys' fees imposed pursuant to Section 10.6, shall be a charge on the land and shall be a continuing lien upon the unit against which each such assessment or charge is made. Such assessment, charges and other costs shall also be the personal obligation of the person who was the Owner of such unit at the time when the assessment or charge fell due. Such liens and personal obligations shall be enforced in the manner set forth in Article X below."

WHEREAS Article X, Sections 10.3 and 10.5 of the Declaration states:

"10.3 Default in Payment of Assessments; Enforcement of Lien.

10.3.1 Personal Obligation; Joint and Several. Each assessment, together with interest, late payment charges, fines, and collection costs as provided in Section 10.5 are the personal obligation of the Owner of the Unit and subsequent Owner as provided under the Oregon Planned Community Act. Each assessment is the joint and several obligations of the Owner or Owners of the Unit against which the assessment is levied."

“10.5 Interest, Late Payment Charge and Collection Costs. If any assessment imposed or levied by the Association pursuant to the provisions of this Declaration, the Bylaws or the Oregon Planned Community Act is not paid within thirty (30) days after its due date, the assessment is delinquent and the Owner is obliged to pay:

(a) Interest from the due date of the assessment or such other date as may be specified by resolution of the Board of Directors at a rate of twelve percent (12%) per annum, or at such other rate as may be established by resolution of the Board of Directors;

(b) A late charge for each assessment not paid when due as may be established by a resolution of the Board of Directors, not to exceed twenty percent (20%) of the unpaid assessment; and

(c) All expenses incurred by the Association in collecting unpaid assessments or in enforcing any provision of this Declaration, the Bylaws or rules and regulations, including without limitation: Attorney fees incurred by the Association (whether or not legal proceedings are instituted and including attorney fees at trial, in arbitration, on appeal or petition for review); and if a notice of lien is recorded, the costs associated with the preparation and recording of the notice of lien.”

WHEREAS, from time to time owners become delinquent in their payments of these assessments and fail to respond to the demands from the Board to bring their accounts current; and

WHEREAS, the Board deems it to be in the best interest of the Association to adopt a uniform and systematic procedure for dealing with delinquent accounts in a timely manner, and further believes it to be in the best interest of the Association to refer these accounts promptly to an attorney for collection so as to minimize the Association’s loss of assessment revenue; and

NOW, THEREFORE, BE IT RESOLVED that the Association’s Treasurer is authorized to contact the Association’s attorney to pursue collection and request advice for the Board of Directors and the Association in other matters which may from time to time be requested by the Board; and it is further

RESOLVED that the Board delegates to the Association’s Treasurer the authority to handle delinquent accounts; and it is further

RESOLVED that the Treasurer, acting on behalf of the Association, shall be authorized to pay the Association’s attorneys their usual and customary charges for time incurred in connection with their representation of the Association, together with all costs incurred by the firm including not limited to, fees and charges for court filing fees, recording fees, service of process, document reproduction, postage, long distance calls, facsimile transmissions, investigator’s services, and title reports, promptly upon receipt of the monthly invoice; and it is further

RESOLVED that the due date for monthly assessments shall be the first (1st) day of each month ("due date"); and it is further

RESOLVED that there is hereby levied against any account where the assessment is not paid in full within thirty (30) days of its due date, a late charge of percent (20%) of the unpaid assessment, which the Treasurer is authorized and directed to charge to and collect from any delinquent owner, and it is further

RESOLVED that the Association shall charge interest on such delinquent accounts at the rate of twelve percent (12%) per annum; and it is further

RESOLVED that the Association is authorized to charge a fee upon the transfer of ownership of the property, a fee for an escrow request and such other fees for services as incurred by the owner or the Association on an account. These amounts due are subject to change and such amounts can be provided by the Manager or Treasurer upon request by an owner. Such fees shall be considered an assessment against the property and owner(s) thereof. The Board of Directors shall be notified about any changes to the fee structure prior to changes being made; and it is further

RESOLVED that the Association may, but shall not be required to, apply any and all payments received on an account to payment of any and all attorney's fees and costs, expenses of enforcement and collection, late fees, return check charges, lien fees and interest, in that order, prior to application to any annual or special assessment installment due or to become due by the owner; and it is further

RESOLVED that any and all payments made on an account that has a judgment and that do not bring the account current as of the date of the payment, will be applied first to the unsecured debt unless otherwise designated by the debtor. Partial payments may be applied to pay the most current amount owed prior to the secured debt through the judgment; and it is further

RESOLVED that there is hereby levied against any account on which a check is returned by the bank for non-sufficient funds or for any other reasons a \$35.00 per check charge, plus any fees charged by the bank; and it is further

RESOLVED that the Association is directed to send to any owner who is more than thirty (30) days past the due date in the payment of regular or special assessments, or other charges authorized by the Association's governing documents (hereinafter referred to as "Assessments"), a written statement of the delinquent balance; and it is further

RESOLVED that the Treasurer is directed to forward any account which is one hundred twenty (120) days or more past the due date to the Association's attorney for appropriate collection action. The Association's attorney will be requested to send out appropriate collection letters demanding payment from the owner and stating the Association's intent to record a notice of claim of lien against the delinquent owner's lot. If payment is not received after the attorneys' demand letter, the attorney may record a notice of claim of lien against such owner's lot and

thereafter file suit for collection and/or foreclosure of the lien, and/or after giving notice and an opportunity to be heard, terminate utility or other services to the lot paid for out of the Association's assessments and access to recreational facilities. The Treasurer shall assess all collection expenses, including attorneys' fees, to the delinquent owner's account; and be it further

RESOLVED that the Treasurer is directed to consult with the Association's attorney and forward for collection any 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 lots; and be it further

RESOLVED that the following policies shall apply to all delinquent accounts forwarded to the Association's attorney for collection:

1. Following turnover of the account to Landye Bennett Blumstein LLP, all contracts and contacts with a delinquent owner shall be handled through the Association's attorneys following the date the account has been forwarded to the attorneys for collection. Neither the Treasurer nor any other Association officer, director or bookkeeper shall discuss the collection of the account directly with an owner after it has been forwarded to the Association's attorneys unless one of the Association's attorneys is present or has consented to the contract or contact.

2. All sums collected on a delinquent account shall be remitted to the Association in care of the Association's attorneys until the account has been brought current. If the Treasurer or any other Association officer, director or bookkeeper receives payment directly, he or she shall immediately make a copy of the payment and forward a copy to Landye Bennett Blumstein LLP via e-mail or facsimile.

3. All attorney's fees and costs incurred in the collection of a delinquent account shall be assessed against the delinquent lot owner and shall be collectable as an Assessment.

4. To the extent the Association's attorney in his/her discretion considers it to be appropriate in the circumstance, he/she is authorized to enter into an installment payment plan with the owner. Provided, however, any payment plan which provides for a duration in excess of twelve (12) months shall require the approval of the Treasurer.

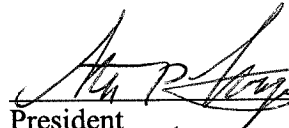
5. If, at the expiration of the period specified in the Association's attorneys' demand letter, an account remains delinquent and without a written payment plan, or in the event of a default under terms of the payment plan, the Association's attorneys are authorized to take such further action as they believe to be in the best interest of the Association, including but not limited to:

- a. Recording a notice of claim of lien against the delinquent owner's lot and/or filing suit for money due from the owner(s);

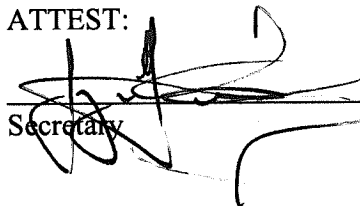
- b. Filing a proof of claim in bankruptcy including associating bankruptcy counsel to assist;
- c. After judgment is obtained, garnishing rent, bank accounts or paychecks;
- d. Hiring an investigator to locate any individual or assets;
- e. Ordering a Foreclosure Guarantee from a title company; and
- f. After consulting with the Board of Directors instituting a judicial action for foreclosure of the Association's lien; and be it further

RESOLVED that a copy of this Resolution shall be sent to all owners at their last known addresses.

This Resolution was adopted by the Board of Directors on June 15, 2016 and shall be effective on June 16, 2016.

  
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President  
(Susan Lawson)

ATTEST:

  
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Secretary  
(Jerry Bonuscio)