

TERWILLIGER SOUTH NO. 2 HOMEOWNERS ASSOCIATION

BOARD OF DIRECTORS RESOLUTION REGARDING COLLECTION OF ASSESSMENTS AND ENFORCEMENT

WHEREAS, ARTICLE XIX, Section C of the Amended, Restated and Superceding Declaration of Covenants, Conditions and Restriction for Terwilliger South No, 2, Multnomah County, State of Oregon ("Declaration") states:

"C. Assessment of Common Expenses. All Owners shall be obliged to pay Common Expenses assessed to them by the Board of Directors on behalf of the Association pursuant to this Declaration and the Bylaws. Assessments may not be waived due to limited or nonuse of Common Areas. The developer shall be assessed as the Owner of any unsold row house, but such assessment shall be prorated to the date of sale of the Row house and assessment for reserves need not be paid until closing of such sale. The Board of Directors, on behalf of the Association, shall assess the Common Expenses against the Owners from time to time, and at least annually, and shall take prompt action to collect from an Owner any common expense due which remains unpaid for more than thirty (30) days from the due date of its payment."

WHEREAS, ARTICLE XIX, Section E of the Declaration states:

"E. Default in Payment of Assessments. In the event of default by any Owner in paying to the Association any assessment, the unpaid assessment shall be a lien against the Owner's interest in the Lot and Row House, and such Owner shall be obligated to pay interest at the rate of ten percent (10%) per year on such assessed common expense from the due date thereof, together with all expenses, including attorneys' fees, incurred by the Association in any proceeding brought to collect such unpaid expenses, or any appeal therefrom. The Board of Directors shall have the right and duty to recover for the Association such Common Expenses, together with interest thereon, and expenses of the proceeding, including attorneys' fees, by an action brought against such Owner or by foreclosure of the lien upon the Lot and Row House granted by the Oregon law. The Board of Directors shall notify the holder or beneficiary of any first mortgage or trust deed upon a Lot and Row House of any default not cured within sixty (60) days of the date of default.

WHEREAS, ARTICLE 1, Section 3 of the Bylaws of Terwilliger South No. 2 Homeowners Association ("Bylaws") states:

"1.3 Personal Application. All present or future Owners, tenants, Occupants, and their employees, and any other person that might occupy any portion of the Property in any manner, shall be subject to the provision set forth in these Bylaws. The acquisition, rental, or occupancy of any of the Lots shall constitute acceptance and ratification of these Bylaws and agreement to comply with all the provisions hereof."

WHEREAS, ARTICLE 4, Section 3 of the Bylaws states:

"4.3 Other Duties. In addition to duties imposed by these Bylaws or by resolutions of the Association, the Board shall have authority to carry out and be responsible for the following matters:

* * *

4.3.3 Assessment Collection. Designation and collection of assessments from the Owners, in accordance with these Bylaws and the Declaration."

WHEREAS, ARTICLE 13 of the Bylaws states:

"An Owner shall be obliged to pay reasonable fees and costs (including, but not limited to, attorneys' fees) and actual administrative costs incurred in connection with efforts to collect any delinquent unpaid assessments from such Owner, whether or not suit or action is filed. Assessments against Owners may include fees, late charges, fines and interest imposed by the Board, in addition to amounts owed toward operating expenses and the funding of reserves. If the Association brings against any Owner or Owners a suit or action for the collection of any amounts due pursuant to or for the enforcement of any provisions of the Declaration, the Articles or these Bylaws, such Owner or Owners, jointly and severally, shall pay, in addition to all other obligations, the costs of such suit or action, including actual administrative expenses incurred by the Association because of the matter or act which is the subject of the suit, reasonable attorneys' fees to be fixed by the trial court and, in the event of an appeal, the cost of the appeal, together with reasonable attorneys' fees in the appellate court to be fixed by such court."

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 Associations 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 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 the Board delegates to the Association's Treasurer the authority to handle delinquent accounts; and it is further

RESOLVED 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, an assessment shall be considered delinquent if it is not paid the day it is levied; and it is further

RESOLVED there is hereby levied against any account where the assessment is not paid in full within thirty (30) days of the date it is levied, a late fee in the amount of twenty-five dollars (\$25.00) which the Treasurer is authorized and directed to charge to and collect from any delinquent owner; and be it further

RESOLVED the Treasurer shall charge interest on such delinquent accounts at the rate of ten (10%) per annum, and it is further

RESOLVED 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 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 thirty-five dollars (\$35.00) per check charge, plus any fees charged by the bank; and it is further

RESOLVED the Treasurer is directed to send to any owner who is more than thirty (30) days delinquent 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 ninety (90) 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 file a lien against the delinquent owner's lot. If payment is not received after the attorneys' demand letter, the attorney may file a lien against such owner's lot and thereafter file suit for collection and/or foreclosure of the lien. The Treasurer shall assess all collection expenses, including attorneys' fees, to the delinquent owner's account; and be it further

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

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

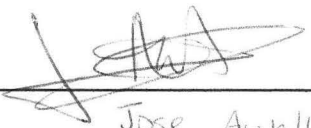
This Resolution was adopted by the Board of Directors on _____, 2009 and shall be effective on _____, 2009.



President

Patricia Price

ATTEST:



Secretary Jose Aguilan