

THREE PINES OWNERS ASSOCIATION

Resolution of the Board of Directors

COLLECTIONS RESOLUTION

Three Pines Owners Association ("Association") is an Oregon nonprofit corporation.

The Association is governed by The Declaration of Covenants, Conditions & Restrictions For Three Pines ("CC&Rs"), recorded April 3, 2003 as document number 2003-23947 in the records of Deschutes County, Oregon and all amendments thereto, and by the Initial Bylaws of Three Pines Owners Association ("Bylaws"), recorded April 17, 2003 as document number 2003-25272 in the records of Deschutes County, Oregon and all amendments thereto.

The Association occasionally experiences delinquency of the homeowner assessments. The Association's Board of Directors is charged with the responsibility to assess, and collect these fees on behalf of the Association pursuant to Bylaws 7.1(a), and ORS 94.640(1). Furthermore, owners are obligated to pay all assessments levied by the Association, pursuant to CC&Rs 10.7 and ORS 94.712 (1).

It is vital to the economic stability of the Association that every owner pay their share of the Association's expenses.

Therefore, the Board hereby adopts the following resolution governing the collection of assessments.

POLICY

A. If assessments are not paid within 30 days of the due date, then they are considered delinquent and automatically become a lien against the lot pursuant to ORS 94.709.


- B. A one-time late fee of \$25.00 will be added to any assessment on the date of delinquency.**
- C. Delinquent assessments shall bear interest at the rate of 9% per annum from the due date until paid.**
- D. If a payment check is dishonored or not accepted by the bank due to non-sufficient funds (NSF) or any other reason, the sum of \$35.00 will be added to the owner's assessment, and a Notice of Dishonor may be sent to the owner. Any returned check constitutes a late payment and a late fee will be assessed pursuant to Section B of this policy.**
- E. All costs of collection including, but not limited to, attorney fees, recording fees, court costs, and filing fees, shall be assessed against the delinquent owner.**
- F. Whenever a collection matter has been referred to a third party collection agency or to an attorney, neither the Board nor any of its agents shall discuss the collection of the account directly with the owner. All communication regarding a delinquent balance or the collections process shall be between the collector and the owner. This provision does not limit discussion between the Board or its agents and a delinquent owner about any matter unrelated to a delinquent balance or the collections process.**

PROCEDURE

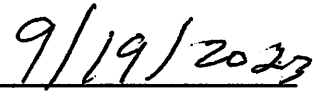
- 1. Once an assessment is more than 30 days delinquent, the Association will send notice to the owner with the amount due and demand immediate payment.**
- 2. Once an assessment is more than 60 days delinquent, the Association will send a second notice to the owner with the amount due and demand immediate payment.**
- 3. Once the assessment is 90 days delinquent, the Association shall turn the file over to the Association's attorney or a collection agency ("the Agency"). The Agency will then:**

- 2.1. send a demand for payment; and
 - 2.2. record a lien against the lot at its discretion.
4. After the file has been turned over to the Agency, all contacts with the delinquent owner will be through the Agency.
5. If the Assessment is still not paid more than 35-45 days from the Agency's notice, the Agency will send a final letter demanding payment within 10 days. The letter will state that the Association intends to sue the owner and may state that the Association will foreclose on its lien.
6. If the assessment is not paid after the Agency's 10 day letter, the Association will file suit against the owner, file a suit to foreclose on its lien, or both.
7. After the Association obtains a judgment, the Agency will begin collection of the judgment by:
 - 6.1. Garnishing the owner's bank account;
 - 6.2. Garnishing the owner's wages;
 - 6.3. Executing a writ against the owner's real or personal property; and/or
 - 6.4. Any additional methods authorized by law.
8. At any time after the file has been turned over to the Agency, upon approval by the Board, the owner may enter into a payment plan. The plan may be secured by a Confession of Judgment per the Agency's discretion.
9. Payments from the owner, through a judgment, or via a payoff shall be made to the Agency. The Association grants the Agency a limited power of attorney to endorse and deposit checks made payable to the Association or its manager. Payments may be partially or wholly applied to the Agency's fees and will be disbursed to the Association pursuant to an agreement between the Agency and the Association.
10. Nothing in this resolution prevents the Association from taking any other actions against an owner.

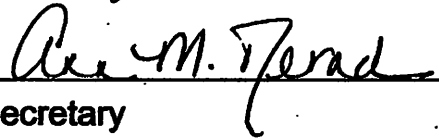
11. A copy of this Resolution will be distributed to all owners.



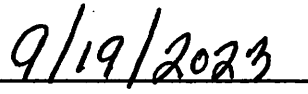
President



Date



Secretary



Date