

Diamond Meadows Tract 1384 HOA

ARTICLE 6 OBLIGATIONS OF THE OWNERS

- 6.1 Assessments.** All Owners are obligated to pay assessments imposed by the Board or by the Association as more particularly set forth herein and in the Declaration. Assessments shall be payable on a periodic basis as determined by the Board of Directors. The Board may, but is not required to, impose interest and/or impose charges for late payments, plus attorney fees and other collection costs incurred as a result of overdue payments. The Board may, but is not required to, allow a discount for early payment of assessments.
- 6.2 Investment of Reserve Account Funds.** Each reserve account shall be kept in an account with a safe and responsible depository, shall be accounted for separately and, if invested, the obligation or security shall be fully guaranteed as to principal by the United States of America or one of its agencies. Assessments paid into the reserve accounts are the property of the Association and are not refundable to sellers of Lots. Provided however, nothing herein shall prevent sellers of Lots from treating their outstanding allocable share of reserve accounts as a separate or reimbursable item in a sales agreement. No Owner shall have any individual rights in any of these reserves, although it is understood that the value of their respective Lots may increase in proportion to each Lot's right to receive repair, maintenance and replacement therefrom.
- 6.3 Assessment.** The amount of the assessments due from Owners shall be based on a budget determined by the Board of Directors. All assessments are subject to periodic review and revision by the Board of Directors.
- 6.4 Initial Assessment of Lots Subjected in the Future.** The initial assessment for Owners of Lots subjected to the Declaration by annexation shall be an amount equal to one-sixth (1/6th) of the annual assessment then in effect for similar Lots in Diamond Meadows, plus a prorated portion of the assessment for the assessment installment period during which the Lots in such stages are annexed to Leisure Woods. Thereafter, the owners of such Lots shall be assessed directly by the Association. The initial assessment equal to one-sixth (1/6th) of the current annual assessment shall be a one-time contribution of working capital of Diamond Meadows. Upon the annexation of additional Lots to Diamond Meadows, the Board of Directors shall promptly prepare a new budget reflecting the additional Lots and shall recompute any previous assessment covering any period after the annexation.

6.5 Payment of Assessments. The Declarant shall:

6.5.1 Pay assessments due for operating expenses on all unsold Lots; and

6.5.2 Pay assessments due for reserves on all unsold Lots, at the Declarant's option, pay or require the Owner to pay all accrued reserve assessments against the Lot at the time of the initial sale to the Owner.

6.6 Default. Failure by an Owner to pay any assessment when due of the Association shall be a default by such Owner of his or her obligations pursuant to these Bylaws, the Declaration, and the Oregon Planned Community Act. In addition to the interest which may be charged on delinquent assessments, the Board of Directors, at its option, may impose a late charge penalty in respect to any assessment not paid within ten (10) days from the due date. Such penalty may not exceed the sum often percent (10%) of the annual assessment. The Association shall be entitled to a lien which may be enforced upon compliance with the provisions of the Oregon Planned Community Act.

In any foreclosure suit by the Association with respect to such lien, the Association shall be entitled to collect reasonable rent from the defaulting Owner for the use of Owner's Lot or shall be entitled to the appointment of a receiver. The Association shall be entitled to the additional remedies provided in the Declaration and the OPCA.