



## **2008 HOA Budget and Dues**

At the October 24<sup>th</sup> Board meeting, the HOA Board of Directors approved the 2008 budget and dues. In keeping with the Board's stated goals from the September Board meeting, the 2008 budget holds dues at the 2007 level and starts a three-year plan of making up the shortfall in the HOA's reserves.

The reserves shortfall was identified as part of a reserves study commissioned by the Board earlier this year. The shortfall in reserves is the result of increased projected maintenance and replacement costs for HOA assets and common area structures.

The total projected shortfall at the end of 2007 is \$13,111. That amount will be made up over the next three budget years.

### **Dues**

Dues for 2008 will be \$64 per month, \$768 per year, for each HOA property. Dues are billed twice yearly in January and July.

# Budget

## Bella Beach HOA 2008 Budget

Line Item	Amount	Notes
Landscaping: Maintenance of Common Areas	24,382	
Landscaping: Improvements/Repairs	6,000	Drainage fixes and other necessary repairs
Utilities	2,800	
Accounting	2,500	Assumes HOA (not CPA) does non-dues mailings
Website	300	
Insurance	1,700	
Supplies	750	Assumes HOA (not CPA) does non-dues mailings
Postage	425	Assumes HOA (not CPA) does non-dues mailings
Security	7,500	
Holiday Party	150	
4th of July Picnic	150	
Taxes	650	
Special Projects	2,950	Maybe used for additional improvements to common areas
Legal	7,500	
"Catch-up" Additions to Reserves	4,370	See Reserves Catch-up Plan below
Expenses Total	62,127	
Additions to Reserves to Stay on Res. Study Plan	5,317	Must be at least 3% of dues (Oregon state law)
Grand Total	\$67,444	
Share for each of 88 HOA members	\$768.00	
Monthly Dues	\$64.00	
Reserves Total at End of 2008 Budget Year: 38,782 Assumes HOA does not need to tap reserves during 2008		

### Reserves Catch-up Plan:

Reserves Shortfall at Beginning of 2008	13,111
Number of Years to Catch-up	3
2008 Share of the Catch-up	4,370
Reserves Shortfall at Beginning of 2009	8,821
Number of Years to Catch-up	2
2009 Share of the Catch-up	4,410
Regular 2009 Reserves Additions	6,440
Total Reserves Contribution for 2009	10,850
Reserves Shortfall at Beginning of 2010	4,622
Number of Years to Catch-up	1
2010 Share of the Catch-up	4,622
Regular 2010 Reserves Additions	7,601
Total Reserves Contribution for 2010	12,223

As required by the HOA Bylaws, the following pages contain the HOA's statement of policies and practices related to collecting delinquent dues.

## **Statement of the HOA's Policies and Practices in Collecting Delinquent Dues**

The HOA Bylaws required that the following information be sent to all HOA members within 60 days of the beginning of a HOA budget-year. A summary of the HOA's policies is included along with the relevant sections of the CC&Rs and Bylaws.

### Summary of HOA Policies, Effective January 1, 2008

- Any amount of dues or assessments delinquent by 30 days will be re-billed with the following additional fees: \$45 rebilling fee plus a \$50 penalty.
- Any amount of dues or assessments delinquent by 90 days will be re-billed with the following additional fees: \$45 rebilling fee plus a \$125 penalty.
- After 90 days, interest, at an annual rate of 12%, will accrue monthly.
- After 180 days, the HOA will file a lien with Lincoln County for all past-due amounts, fees, penalties, interest and legal costs.

In the past there has been only one instance where the HOA has had to file a lien. We hope to not have to do so again in the future.

### Relevant sections of the HOA CC&Rs

#### 10.7 Default in Payment of Assessments, Enforcement of Liens.

10.7.1. Personal Obligation. All assessments properly imposed under this Declaration or the Bylaws shall be the joint and several personal obligation of all owners of the Lot to which such assessment pertains. In a voluntary conveyance (that is, one other than through foreclosure or a deed in lieu of foreclosure), the grantees shall be jointly and severally liable with the grantor(s) for all Association assessments imposed through the recording date of the instrument affecting the conveyance. A suit for a money judgment may be initiated by the Association to recover such assessments without either waiving or foreclosing the Association's lien.

10.7.2. Association Lien. At any time when any assessment (of any type provided for by this Declaration or the Bylaws) or installment thereof is delinquent, the Association, by and through its Board or any management agent, may file a notice of lien in the deed records of Lincoln County, Oregon, against the Lot in respect to which the delinquency pertains. Once filed, such lien shall accumulate all future assessments or installments, interest, late fees, penalties, fines, attorneys, fees (whether or not suit or action is instituted) and other appropriate costs properly chargeable to an Owner by the Association, until such amounts are fully paid. Said lien may be foreclosed at any time, but not later than six (6) years after the latest lienable charge has been imposed. The lien of the Association shall be superior to all other liens and encumbrances except for property taxes and assessments; any first mortgage, deed of trust or land sale contract that was recorded previously to the recording of the Association's notice of lien; and any mortgage or deed of trust that was granted to an institutional lender and that was recorded previously to the recording of the Association's notice of lien.

10.7.3 Interest; Fines; Late Fees; Penalties. The Board, in its reasonable discretion, may from time to time adopt resolutions to set the rate of interest and to impose late fees, fines and penalties on delinquent assessments or for violations of the provisions of this Declaration, the Bylaws, any Rules and Regulations, and any rules and regulations adopted by the ARC. The adoption of such impositions shall be communicated to all owners in writing not less than thirty (30) days before the effective date by a notice mailed to the assessment billing addresses of such owners. Such impositions shall be considered assessments that are lienable and collectible in the same manner as any other assessments; provided, however, that fines or penalties for violation of this Declaration, the Bylaws or any Rules or Regulations, other than late fees, fines or interest arising from an Owner's failure to pay regular or special assessments may not be imposed against an owner or his Lot until such owner is given an opportunity for a hearing, as elsewhere provided herein.

10.7.4 Acceleration of Assessments. If an Owner is delinquent in payment of any monthly assessment or any installment on a special assessment, the Association, upon not less than ten (10) days' written notice to the Owner, may accelerate the due date of the full annual assessment for that fiscal year and all future installments of any special assessments.

10.7.5 Association's Right to Rents/Receiver. In any foreclosure suit by the Association with respect to an Association lien, the Association shall be entitled to collect reasonable rent from the defaulting Owner for the use of his Lot or shall be entitled to the appointment of a receiver. Any default by the Owner in any provisions of the Declaration or Bylaws shall be deemed to be a default by the Owner of any mortgage to which the Owner is a party or to which the Lot is subject.

#### Relevant sections of the HOA Bylaws

3.6.3 In addition to financial statements, the Board of Directors shall annually distribute within 60 days prior to the beginning of the fiscal year, a statement of the Association's policies and practices in enforcing its remedies against members for defaults in the payment of regular and special assessments including the recording and foreclosing of liens against members' subdivision interests.

5.5 Default. Failure by an Owner to pay any assessment of the Association shall be a default by such Owner of his or her obligations pursuant to these Bylaws 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 monthly assessment not paid within ten (10) days from the due date. Such penalty may not exceed the sum of ten percent (10%) of the monthly 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 his or her Lot or shall be entitled to the appointment of a receiver. Any default by the Owner in any provisions of these Bylaws or of the Oregon Planned Community Act shall be deemed to be a default by the Owner of any mortgage to which the Owner is a party or to which the Lot is subject.