

**McNARY HIGHLANDS CONDOMINIUM ASSOCIATION**  
**BOARD OF DIRECTORS RESOLUTION**  
**COLLECTION OF ASSESSMENTS AND ENFORCEMENT**

WHEREAS, Article I, Section 2 of the Bylaws of McNary Highlands (“Bylaws”) states:

“**Section 2. Bylaws Applicability.** The provisions of these Bylaws are applicable to the Condominium, the owners’ association and the entire management structure thereof. (The term “Condominium” as used herein shall include the land).”

WHEREAS, Article IV, Section 3 of the Bylaws states:

**Section 3. Other Duties.** In addition to duties imposed by these Bylaws or by resolutions of the Association, the Board of Directors shall have authority to carry out and be responsible for the following matters:

\* \* \*

(d) Establishing a budget for payment of all common expenses of the Association and institution and maintenance of a system for such payment as may be reasonably necessary to prevent any misuse of Association funds.”

WHEREAS, Section 10.6 of the Condominium Declaration for McNary Highlands Condominium states:

“**10.6 Covenant to Pay Assessments; Liability for Common Expense.** Each owner hereby covenants to pay to the Association annual assessments for common expenses as more fully provided in the Bylaws. No owner may avoid liability for assessments by abandonment of his Unit or non-use of the common elements. Except as otherwise provided in this Declaration or the Bylaws, each Unit and the owner thereof will be liable for the common expense in the same percentage as the percentage ownership in the common elements allocated to such Unit.”

WHEREAS, Article VI, Section 6 of the Bylaws states:

“**Section 6. Default.** Failure by an owner to pay any assessment of the Association shall be a default by such owner of his obligations pursuant to these Bylaws and the Oregon Condominium Act and, in addition to the Association’s other remedies provided in the Declaration, these Bylaws or bylaws shall entitle the Association to declare the balance of such owner’s annual assessment otherwise being paid in installments to be immediately due and payable in full. Interest shall be charged on delinquent assessments at such rate as may be set by the board of directors, from time to time, not to exceed the lower of eighteen percent (18%) per annum or the highest rate permitted by applicable law. Prior to the imposition of or charge in the interest rate charged on delinquent assessments, the board of directors shall give thirty (30) days’ written notice to all owners.

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 of twenty-five percent (25%) of the delinquent assessment, but shall be imposed only once on each regular or special assessment or installment of such assessments.

The Association shall be entitled to a lien which may be enforced upon compliance with the provisions of ORS 100.450. 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 Unit or shall be entitled to the appointment of a receiver pursuant to ORS 100.460. Liability for all assessments, charges, interest, fees (including attorneys fees) and other sums owing by the Unit owner pursuant to the Declaration, these Bylaws, the Oregon Condominium Act and rules and regulations of the Association shall be the personal obligation of the Unit owner and may be enforced by suit for a money judgment, in addition to all other remedies of the Association. Any default by the owner in any provisions of these Bylaws or of the Oregon Condominium 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 Unit is subject.”

WHEREAS, Article XV of the Bylaws states:

**“Assessment Collection Costs; Suits and Actions.** Unit owners shall be obliged to pay reasonable fees and costs including, but not limited to, attorney’s fees incurred in connection with efforts to collect delinquent and unpaid assessments and enforcement of the Declaration, Bylaws or rules and regulations of the Association. In addition to the assessment for operating expenses and the funding of reserves, such assessments may include fees, late charges, fines and interest imposed pursuant to ORS 100.405(4)(i)(j)(k).

In the event suit or action is commenced by the Directors for the collection of any amounts due pursuant to these Bylaws or for the enforcement of any provisions of the Bylaws or of the Oregon Condominium Act, the owner or owners, jointly and severally, will in addition to all other obligations, pay the costs of such suit or action, including 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 demand from the Association 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

WHEREAS, ORS 100.405(4)(k) states:

“Subject to the provisions of the condominium’s declaration and bylaws, and whether or not the association is unincorporated, the association may:

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(k) Impose charges for late payments of assessments, attorney fees for collection of assessments . . . .”

NOW, THEREFORE, BE IT RESOLVED that the Association’s Manager 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 Manager the authority to handle delinquent accounts; and it is further

RESOLVED that the Manager, 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, but not limited to, charges for filing fees and 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 (1<sup>st</sup>) day of each month (“due date”); and it is further

RESOLVED that any account not paid on the due date shall be considered delinquent; and it is further

RESOLVED that there is hereby levied against any account for which the monthly assessment is not paid within ten (10) days of its due date a late fee in the amount of twenty-five dollars (\$25.00) per month for the first month the assessment is late, fifty dollars (\$50.00) for the following month the assessment is late, seventy-five (\$75.00) for the following month the assessment is late and one hundred dollars (\$100.00) for the following month and every month thereafter the assessment is late, which the Manager is authorized and directed to charge to and collect from any delinquent owner. The increasing late fee is only applicable if the owner is late in consecutive months; and it is further

RESOLVED that the Manager and/or attorney is authorized to charge interest on such delinquent accounts at the rate of eighteen percent (18%) per annum; 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 attorneys’ 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 dollar (\$35.00) per check charge, plus a redeposit fee and any fees charged by the bank; and it is further

RESOLVED that the Manager 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 Manager is directed to forward any account which is sixty (60) days or more delinquent 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 unit. If payment is not received after the attorneys' demand letter, the attorney may file a lien against such owner's unit and thereafter file suit for collection and/or foreclosure of the lien. The Manager shall assess all collection expenses, including attorneys' fees, to the delinquent owner's account; and it is further

RESOLVED that the Manager 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 unit; and it is further

RESOLVED that the Manager is authorized to charge a one hundred dollar (\$100.00) fee upon the transfer of ownership of the property, a one hundred dollar (\$100.00) 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 by the Manager and such amounts can be provided by the Manager 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 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 Manager nor any Association officer or director 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 Manager

receives payment directly, Manager shall immediately make a copy of the payment and forward a copy to Landye Bennett Blumstein LLP via e-mail or facsimile.

3. All attorneys' fees and costs incurred in the collection of a delinquent account shall be assessed against the delinquent unit 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, they are authorized to enter into an installment payment plan with the owner. Provided, however, any payment plan provides for a down payment of less than the greater of one third (1/3) of the delinquent balance or twice the current assessment, or duration in excess of twelve (12) months shall require the approval of the Manager.

5. If, at the expiration of the period specified in any of the Association's attorneys' demand letters, an account remains delinquent, or in the event of a default under terms of a 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. Filing a lien against the delinquent owner's unit 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 consultation with the Board of Directors instituting a judicial action for foreclosure of the Association's lien;

d. Sending a Notice to Lender;

e. After judgment is obtained, garnishing rent, bank accounts or paychecks;

f. Hiring an investigator to locate any individual or assets; and

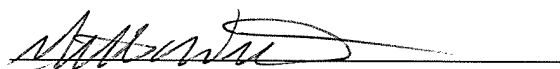
g. Ordering a Foreclosure Guarantee from a title company; and be it further

RESOLVED that a copy of this resolution shall be sent to all owners at their last known addresses as shown on the Association's records.

This Resolution was adopted by the Board of Directors on OCT 23, 2014 and shall be effective on OCT 23, 2014.

**ON BEHALF OF THE  
BOARD OF DIRECTORS**

McNary Highlands Condominium

  
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Officer of the Board of Directors  
Gille Wilbanks-Chair