

**RESOLUTION OF THE BOARD OF DIRECTORS
OF
Association of Unit Owners of Cardinell View Lofts Condominium**

COLLECTION RESOLUTION – 2013-02
(Replaces any and all policies previously adopted by the Board)

WHEREAS, the Board of Directors (“Board”) of the Association of Unit Owners of Cardinell View Lofts Condominium (the “Association”) is an Oregon nonprofit corporation organized to administer the Cardinell View development under ORS Chapter 100; and

WHEREAS, the Board desires to set consistent, but flexible policy regarding the collection of past due assessment accounts in order to maximize recovery of assessments while considering the cost to the Association of pursuing collection of the same; and

WHEREAS, the Bylaws, Section 5.5 and Declaration of Condominium Ownership for Cardinell View Lofts Condominium (“Declaration”), Section 7 provide that all Owners of Units shall be obligated to pay common expenses assessments; and

WHEREAS, regular assessments are billed to Owners on a monthly basis on the 1st of each month. Regular assessments are due and payable in advance on the first day of each month, and are considered late the 10th day after the assessment is due; and

WHEREAS, other types of assessments come due according to their terms, and are considered late the 10th day after such assessments are billed; and

WHEREAS, the Declaration, Section 7 authorizes the Board to enforce provisions of the Declaration, Bylaws and Rules and Regulations, including action to collect unpaid assessments; and

WHEREAS, the Declaration, Section 7.3 provides that the rate of interest on collection of assessments is 12% per annum; and

WHEREAS, the term “Owner” shall refer to current and/or previous Owners, as applicable.

NOW THEREFORE

BE IT RESOLVED by the Board that the following policies are adopted for the collection of unpaid assessments:

1. **Acceleration of Assessments.** Regular Assessments are payable in monthly installments. The Board may, in its discretion and pursuant to Section 7.6 of the Declaration, after assessments have become 60 days past due, and upon written notice to the Owner, accelerate the due date of the entire assessments which will become due during the next succeeding twelve (12) months.

2. **Late Fee.** There shall be imposed on any monthly installment, past due fine, special assessment or any charges imposed for damages to common area or any other type of charge allowed pursuant to the documents a late fee of \$25.00 if such installment and/or payment is past due more than 10 days.
3. **Interest Rate on Past Due Assessments.** Interest on past due assessment amounts as well as past due fines, special assessment or any other charges imposed for damages to common area or any other type of charge allowed pursuant to the documents shall be at the rate of 12% per annum accrued daily on a 365 day year and added to the account monthly. Interest shall begin to accrue immediately upon amounts when past due more than 10 days.
4. **Initial Notice to Owner (10 day notice).** If any assessment or other charges remain unpaid by an Owner for more than ten (10) days from its due date, the Board or its designee shall send a notice to the Owner indicating the amount due, including late fees and interest, and any other additional charges, and requesting prompt payment thereof.
5. **Second Notice to Owner (25 day notice).** If the past-due assessment account remains unpaid by an Owner for more than twenty-five (25) days from its due date, the Board or its designee shall send a notice to the Owner indicating the amount then due, including late fees and interest, and any other additional charges, and requesting prompt payment thereof. The notice shall also advise the Owner that the account may be referred for collection pursuant to the provisions of this Resolution. The Notice may also include a Notice of Intent (NOI) to record a Notice of Claim of Lien pursuant to ORS Chapter 100, or such NOI may be sent separately thereafter, in the discretion of the Board, or the management company in the absence of Board guidance. Any costs charged by the management company for issuance of the Notice of Claim of Lien will be billed to the Owner.
6. **Notice of Claim of Lien.** If the assessment account remains unpaid fifteen (15) days after the Second Notice to Owner, the Board or its designee may, consistent with information supplied to the Owner in the NOI, thereafter file and record a Notice of Claim of Lien pursuant to ORS Chapter 100 with the County Recorder against the Unit and charge the cost incurred by the Association for the preparation and recording of such Notice to the Owner's account.
7. **Referral for Collection.** If the assessment account remains unpaid fifteen (15) days after the Second Notice to Owner, the Board may elect to take further collection action on the account, or the Board may defer such action until the past due amount of the account exceeds \$1,000, in the discretion of the Board. The Board may refer an account for collection to an attorney, or to a collection agency, as the Board may deem appropriate to the circumstances of the particular case. Once the account is referred to the attorney or collection agency, no further contact should be made by the management company or Board with the Owner. The Board may also, where it is deemed in the best interest of the Association and where authorized by law, assign its rights to a cause of action to collect against an Owner in exchange for a payment, after weighing the cost to the Association versus the benefits to be gained by an immediate, but lesser payment on the amount due. Finally, the Board may elect to pursue a small claims action against the Owner to reduce

the claim to judgment in small claims prior to referral of the matter to a third party for collection of such judgment, if the Board deems the same as in the best interest of the Association and capable of being prosecuted by a Board member or Officer of the Association in the Association's name.

8. **Management of Collection Accounts after Referral to Attorney/Collection Agency; delegation.** Once the account is referred to an attorney or collection agency, the attorney or agency shall follow their normal procedures for collection including, but not limited to, filing suit against the Owner, sending a Notice to Lender, filing a Proof of Claim in bankruptcy, garnishment and hiring an investigator to locate assets. The Board hereby delegates to the Chairperson of the Association management of the day-to-day contact with the attorney or collection agency, and delegates authority to the Chairperson of the Association to settle any collection matter, if recommended by the attorney or collection agency (as applicable) by entry into an installment payment plan before or after filing of any action to recover past due assessments; provided, however, that if before filing of an action the plan provides for less than 30% of the past-due assessment as an initial up-front payment, or if any payment plan (whether proposed before or after filing of an action to recovery assessments) provides for the balance of payments to be paid over a period in excess of 18 months, the Chairperson shall refer the matter to the Board as to whether the proposed settlement agreement is in the best interest of the Association. The Chairperson may authorize the settlement of other post-filing matters on such terms as may be reasonable and are recommended in consultation with the Association's attorneys. Nothing herein shall preclude the Chairperson from seeking the advice and consent of the Board for any settlement proposal.
9. **Legal Fees and Costs.** Legal fees and costs incurred in the collection of a delinquent account shall be assessed against the delinquent Owner and the property as an assessment and shall be collectible as an assessment as provided in the Oregon Condominium Act, the Declaration, and the Bylaws and herein by this policy, unless otherwise reduced or waived by settlement agreement as provided herein, or by decision of the Board. A list of the changes and dollar amount are available upon request from the management company.
10. **Management Company Fees.** Fees for management collection actions incurred in collection of a delinquent account including, but not limited to, setting up a payment plan, handling returned checks, sending notices, preparing and satisfying the claim of lien, recording fees, and transfer of ownership shall be assessed against the Owner and the property as an assessment and shall be collectible as an assessment as provided in the Oregon Condominium Act, the Declaration, and the Bylaws and herein by this policy, unless otherwise reduced or waived by settlement agreement as provided herein, or by decision of the Board.
11. **Savings Clause; Other Actions.** Nothing herein shall be construed to preclude the Board from taking such other action in lieu of, or together with actions described herein, in furtherance of the collection of unpaid assessments or the settlement and compromise of the same, permitted by the Association's governing documents or applicable law, including, but not limited to, the use or adoption of enforcement options regarding the

termination of utility services paid for out of assessments of the Association, or access to and use of recreational and service facilities available to Owners.

12. **Distribution of Resolution.** A copy of this resolution shall be distributed to all Owners pursuant at the address on file with the Association.

Adopted this 8 day of July, 2013.

BOARD OF DIRECTORS
Cardinell View Lofts Condominium,
an Oregon nonprofit corporation.

By: Mayela Torres
Its: President

Attest: Regina Martinez