

HIGHLANDS CONDOMINIUMS

440 Stonewood Drive, Eugene, OR 97405

Highlands97405@gmail.com

March 21, 2014

Dear Highlands Owner:

RE: Notice of Special Assessment

The Board is announcing a Special Assessment to address foundation repair issues in buildings 12, 14 and 15. As you should now be aware, this issue has been on the table at Board Meetings and Annual Meetings for over a year. Initially the Board was anticipating an assessment of \$4,000 to \$5,000 based on the best information we had last year. Fortunately we have engaged a new engineer and contractor who are confident we can repair Building 12 for less than half the original estimate.

Because we still don't have firm estimates for Buildings 14 and 15, the Board has decided to assess only the amount necessary to pay for known costs for the repair of Building 12 at this time.

By Resolution, the Board has authorized a Special Assessment of \$2,000 against each Apartment Unit, Effective April 1st 2014.

If you are able, you may make a payment in full between April 1st and May 31st 2014 with no interest charge.

If you are not able to make a single payment in full, you may choose to pay the Assessment in 24 monthly payments at 6% interest in installments of \$88.64, beginning June 1st 2014.

You may also make a partial payment of any amount by May 31st 2014 and it will reduce your monthly installment beginning June 1, 2014 For example:

If you pay \$500 by May 31, your balance on June 1st will be \$1,500 and your monthly installment will be \$66.48

If you pay \$1,000 by May 31, your balance on June 1st will be \$1,000 and your monthly installment will be \$44.32

Any Board regrets having to impose a Special Assessment. The fact that this assessment is necessary should not come as a surprise to anyone who attends meetings or reads the minutes provided with your monthly statements and on the Highlands Web Site.

It is the Board's hope that a second Special Assessment will not be necessary for the Repair of Buildings 14 and 15 and we are working hard towards that end. It is too early to make any promises regarding a future additional assessment.

The Board of Directors,
Association of Unit Owners of the Highlands Condominiums

Association of Unit Owners of Highlands Condominiums

Resolution:

Whereas ORS 65.211 and Bylaw Section 13.3 provide that any action that may be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing setting forth the action so taken is signed by all of the Board members entitled to vote thereon; and

Therefore the Board of Directors of the Association of Unit Owners of Highlands Condominium hereby creates and levies against each unit of the Highlands Condominium, a SPECIAL ASSESSMENT of \$2,000.00 per each dwelling unit for the purpose of making foundation repairs to building 12 and other buildings needing foundation repairs, future roof replacement and asphalt repairs ("Special Assessment").

The total assessment is 128 units times \$2,000.00 or \$256,000.00

The assessed funds shall be applied in the following order of priority:

- 1) Repair of Building 12 also known as 309-316 Woodcutter Way
- 2) Repair of Buildings 14 and 15 aka 409-416 and 417-424 Stonewood Drive
- 3) Replacement of funds used from the Roofing Reserve or Capital Improvement reserves for foundation repairs.
- 4) Asphalt repairs or replacement.

The Special Assessment will be charged to the owner(s) of each dwelling unit in the April 1, 2014 Statement. The Special Assessment may be paid in full between April 1, 2014 and May 31, 2014 without any interest charges.

Unpaid Special Assessment balances remaining after May 31, 2014 shall accrue interest at the rate of 6% per annum from May 1, 2014 until paid.

Owners not paying the Special Assessment in full by May 31, 2014 must make minimum monthly payments of \$88.64 (\$2,000 with 6% interest thereon amortized over 24 months) on the 1st of each month starting June 1, 2014.

All remaining unpaid balances, including accrued interest, will be due and payable on June 1, 2016.

Notwithstanding the foregoing, except for transfers described in 12 USC 1701j-3(d) (St. Garn Germain Act), the full unpaid principal and interest balance of the Special Assessment shall become immediately due and payable upon the sale or transfer of a dwelling unit any time after April 1, 2014.

This resolution will be entered into the minutes of the next HOA meeting on April 9, 2014 and will be effective as of March 21st, 2014.



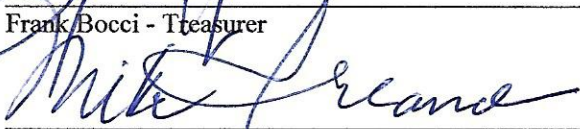
Philip Abbott - Chair



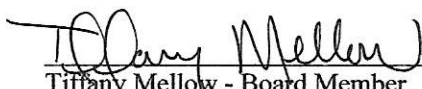
Patrick Lynd - Secretary



Frank Bocci - Treasurer



Mike Ireland - Board Member



Tiffany Mellow - Board Member