

Sexton Place Condominiums Owners' Association
RESOLUTION OF THE BOARD OF DIRECTORS
Regarding Plumbing Repair Assessment
#2014-02

At a meeting of the Board of Directors, held on 5-29-2014 the Board made the following findings:

WHEREAS the Association Secretary, by signing below, attests that pursuant to the Association Bylaws at Section 3.5, all Board members and Owners were provided notice of the meeting, and a quorum of the Board of Directors was present in person at the meeting in accordance with the Association Bylaws at Section 3.7;

WHEREAS, the plumbing system in the Condominium is a general common element in accordance with ORS 100.510, and the Association's Declaration at Sections 4.3 and 5.3;

WHEREAS, there are defective conditions in the Condominium plumbing system which require replacement of the plumbing system as set forth in a report prepared by Kent Engineering;

WHEREAS the Board is responsible for the necessary work to maintain, repair or replace general common elements pursuant to Article 14.1 of the Association's Declaration and Section 3.2.1 of the Association's Bylaws;

WHEREAS the Board requested competitive bids from contractors for the plumbing replacement, and, after reviewing the bids and interviewing the contractors, the Board selected Repipe Specialists to perform the plumbing replacement. The Board has determined that the cost of the plumbing replacement and other necessary costs, including oversight by Hays Consulting, permit costs, and attorney fees for contract review and evaluating potential claims against the manufacturers, results in a total project cost of \$592,200 ("Plumbing Cost");

WHEREAS, the Board has determined that the Plumbing Cost constitutes an extraordinary expenditure and exceeds the Association's available funds, and that the Plumbing Cost constitutes a common expense in accordance with the Bylaws at Section 5.3;

WHEREAS the Board finds that the Plumbing Cost warrants a further assessment to all owners in accordance with ORS 100.405 and Sections 5.4 and 5.5 of the Bylaws to be allocated in accordance with Section 7.1.2 of the Declaration; and

WHEREAS, at least 75% of the total voting rights of the Association voted to allow the Association to obtain a loan, and the Board applied for and obtained a loan from Columbia Bank with terms that were favorable to the Association; and

WHEREAS the Board of Directors has all of the powers and duties necessary for the proper functioning of the Association pursuant to ORS 100.405 and Section 3.2 of its Bylaws;

NOW THEREFORE, BE IT RESOLVED that the Board of Directors hereby adopts a further assessment in the total amount of \$592,200 to be allocated in proportion to each Owner's interest in the Common Elements, which results in a total Per-Unit assessment of \$6,300. Owners are personally liable for all assessments imposed against their Unit, and collection of this assessment will be conducted in accordance with the Association's Collection Resolution and any future revisions thereto. The purpose of the assessment is to fund the replacement of the plumbing system ("Plumbing Repair Assessment").

BE IT FURTHER RESOLVED that, at the option of the owner, the Plumbing Repair Assessment shall be levied in one of the following ways:

- A. Option 1—Lump Sum Payment of \$6,300 due July 1, 2014.
- B. Option 2—Total payment of \$6,420 plus interest to be assessed in monthly assessments beginning on July 1, 2014, and continuing for 10 years. This total includes \$120 in administrative costs. Beginning on July 1, 2014, the monthly assessment amount shall be \$67.31. The monthly assessment amount may change to reflect adjustments in the interest rate on the Columbia Bank Loan. You will be provided 30 days' notice of any change in the monthly assessment.

Owners selecting Option 2 will pay more over time than those who select a lump sum payment because Option 2 includes interest and financing costs. Owners choosing Option 2 shall have the future unpaid monthly assessments accelerated upon the sale or refinance of their Unit so that the entire balance will be due and payable at closing. At any time an Owner who has elected Option 2 may prepay the entire remaining balance of the assessments without penalty.

BE IT FURTHER RESOLVED that the Board of Directors will mail out a form by which the Unit owner may elect to have their Plumbing Repair Assessment levied pursuant to either Option 1 or Option 2. Such election form must be returned by July 1, 2014, to TMG 15350 SW Sequoia Parkway #200 Portland, OR 97224 in the enclosed envelope along with the lump sum payment if electing the lump sum payment method (Option 1).

BE IT FURTHER RESOLVED that the failure to return the form by July 1, 2014 will result in the Board of Directors levying the Plumbing Repair Assessment serially, in separate monthly assessments over ten years, pursuant to Option 2.

BE IT FURTHER RESOLVED that, in the event the amount collected from the Plumbing Repair Assessment or from any litigation or claim to recover the costs of plumbing replacement exceeds the Plumbing Cost, the additional amounts may be credited to Owners in good standing who paid the Plumbing Repair Assessment in full, and who provided TMG with written notification of their correct and current mailing address. If an Owner pays serial monthly assessments (Option 2), any credit may be applied to the outstanding balance. Neither the Board nor TMG will be responsible for locating owner addresses or contact information in order to issue refunds. Any refund or credit amounts and refund or credit methodology will be determined at the discretion of the Board.

BE IT FURTHER RESOLVED that the Board of Directors will record a Statement of Information which includes the notice of assessment in the deed of records Washington County, Oregon, against all Units who elect to have the Plumbing Repair Assessment levied in a series of monthly assessments. Such notice will state that the Repair Assessment will be accelerated and must be paid in full at the time of any refinance or sale of the Unit.

The Board hereby directs TMG to send a copy of this resolution to every owner of record.

Dated this 29 day of May, 2014.

Sexton Place Condominiums Owners' Association

By: 

Its president

ATTEST: the above resolution was properly adopted.

By: 

Its Secretary