

BRIDGEPORT CONDOMINIUMS UNIT OWNERS ASSOCIATION
Resolution of the Board of Directors

SERIAL SPECIAL ASSESSMENT RESOLUTION

RECITALS

- A. The Bridgeport Condominiums Unit Owners Association (“**Association**”) is charged with the operation and management of Bridgeport Condominiums, located in Clatsop County, Oregon (“**Condominium**”).
- B. The Association is governed by the following documents recorded in Clatsop County, Oregon:
 - 1. *Declaration Submitting Bridgeport Condominiums to Condominium Ownership*, recorded on February 11, 2006 as document no. 200801171, as amended and supplemented from time to time (“**Declaration**”);
 - 2. *Bylaws of Bridgeport Condominiums Unit Owners Association*, recorded as Exhibit D to the Declaration, including any amendments thereto (“**Bylaws**”).
- C. The Association is also governed by the Oregon Condominium Act, ORS Chapter 100 and the Oregon Nonprofit Corporation Act, ORS Chapter 65. The Association was formed as a nonprofit corporation by Articles of Incorporation filed with the Oregon Secretary of State, Corporation Division on November 28, 2007.
- D. ORS 100.405(3), Section 14.2 of the Declaration and Sections 3.1 and 3.7 of the Bylaws vest the Board of Directors (“**Board**”) with all of the powers and duties necessary for the administration of the affairs of the Association.
- E. ORS 100.405(3) and Section 7.6(m) of the Bylaws empower the Board to adopt rules and regulations.
- F. Pursuant to ORS 100.540, Section 11.1 of the Declaration, and Sections 3.7(a), (b), and (c) and 7.1 of the Bylaws, the Board is responsible for the operation, care, upkeep, maintenance, repair of the common elements.
- G. Pursuant to Section 5.4 of the Bylaws, the Board has the authority to levy special assessments if sufficient funds are not available from the operating budget or replacement reserve accounts.
- H. Pursuant to Sections 3.7(a), (b), and (c) and 5.2 of the Bylaws, the Board is responsible for the determination of amounts required to pay for maintenance of commonly maintained property described above.

- I. Under Article 8 of the Declaration, all assessments are allocated by square footage, as provided in Exhibit B of the Declaration.
- J. The Board of Directors has determined, in consultation with experts, that remediation work is required on the building elements and that an appropriate and lasting repair includes building envelope rehabilitation and other repairs incident to the damage caused by water intrusion.
- K. A portion of the remediation includes removal of stone and replacement with lap siding and removal of concrete deck surfaces and installation of waterproofing material on decks. Under Section 3.7(k) of the Bylaws, approval by a majority of all unit owners is required to make any additions or improvements to the common elements in excess of \$29,000 as of 2019.
- L. The Board estimates that the funding required for the rehabilitation project, after using funds received from a settlement, is \$2,850,000. The Association has received a loan commitment from Northwest Bank in this amount. The loan will consist of a line of credit draw period of one year, after which the loan will convert to a fixed-rate loan with a term of 20 years. In order to cover the costs of the entire loan, including the line of credit period, this Resolution establishes a planned series of assessments amortized over 20 years.
- M. Pursuant to ORS 100.405(4)(f), (n), (q), and (r), the Board has authority to make contracts and incur liabilities, assign its right to future income, including the right to receive common expense assessments, and to exercise all other powers that may be exercised in the State of Oregon by any association, as well as any other powers necessary and proper for the governance and operation of the Association. Under ORS 65.077(7), the Association may borrow money and secure any of its obligations by pledge of its property or income.
- N. Under Section 3.7(h) of the Bylaws, the Board must obtain the approval of the owners for borrowing any sum in excess of 15 percent of the estimated budget of the Association. In borrowing of funds, the Board does not intend to secure repayment by a lien on any unit or appurtenant interest in the common elements. Rather, repayment of the loan will be secured by the Association's right to collect assessments under the Declaration and Bylaws.
- O. The Board finds it to be in the best interests of the Association to adopt a plan to levy a series of special assessments as provided in this Resolution to service the loan covering the costs of the remediation.

RESOLUTION

NOW THEREFORE IT IS RESOLVED THAT, pursuant to the authority under Section 5.4 of the Bylaws, the Board hereby adopts a plan to levy a series of individual special assessments in the amount indicated below plus applicable interest and costs to be assessed against all units.

- 1. **Amount.** The principal amount of all special assessments that will be levied, is **\$2,850,000** and is referred to as the "**Total Principal.**" The Total Principal shall be allocated among

the units according to each unit's undivided interest in the common elements. The amount of the Total Principal allocated to each unit is referred to as the "**Principal**." Each unit owner may either pay a series of separate and distinct monthly special assessments which will include interest in addition to the Principal according to the terms in Section 2 below or prepay that unit owner's Principal according to the terms in Section 3 below.

2. **Payment of Special Assessment Series.**

- (a) **Interest.** For those unit owners who elect to pay a series of special assessments, the Association will levy a series of separate and distinct individual special assessments each month against the unit. The amount of each monthly special assessment shall include part of the Principal, plus interest, which are outlined in the table attached as Exhibit A. The initial interest rate is anticipated to be **5.14% per annum**. The final interest rate may be adjusted prior to final closing of the loan.
- (b) **Change in Interest Rate.** The interest rate on the Association loan to fund the remediation project is an adjustable rate loan that is set to adjust every five (5) years after the end of the line of credit period. The monthly payments based on the interest rate of the loan shall continue in effect for all two-hundred and forty (240) monthly special assessments unless the interest rate significantly changes. If the interest rate significantly changes, the Board shall give notice to all owners who have not prepaid in full of the amount of the interest rate change and the corresponding change to their monthly payment. New monthly special assessment payments will reflect the adjusted interest rate amortized over the two hundred and forty (240) months or such other timeframe as the board has specified based on mutual agreement with the bank over re-amortization. The board shall amend this Serial Special Assessment Resolution and Exhibit A to inform the owners of their new updated monthly serial special assessment payments.
- (c) **Separate Monthly Assessments.** Each month's special assessment as shown on Exhibit A constitutes a separate and distinct special assessment levied against the unit. The special assessment shall not be deemed levied until the first (1st) day of each month that the special assessment is due. There will be two hundred and forty (240) separate and distinct special assessments commencing on **October 1, 2019** and continuing monthly through **September 1, 2039** for owners who do not elect to prepay the Principal under Section 3 below.
- (d) **Due Date.** Each subsequent monthly special assessment shall be due on the first (1st) day of each month. Each monthly special assessment shall be considered late if not received within thirty (30) days of the due date.

3. **Prepayment of Principal.**

- (a) **Prepayment in Full.** An owner may prepay the entire Principal as shown under the "Principal" column of Exhibit A. If an owner makes a prepayment of the owner's entire Principal before the levy of the first monthly special assessment, the owner will not be charged any interest as provided in Section 2 above. If, after the

first monthly special assessment, the owner makes a prepayment of the entire remaining Principal then owing, the owner shall receive a credit in the amount of any unpaid interest on all remaining monthly special assessments as of the date the Association receives the prepayment. The Board of Directors or manager shall then calculate the amount of the interest credit and the remaining Principal as of the date of prepayment.

(b) **Partial Prepayment.** An owner may prepay less than all of any remaining Principal at any time. A partial prepayment that does not pay off all remaining Principal does not qualify an owner for an interest credit. Separate monthly assessments including interest shall continue until the remaining Principal is paid in full.

4. **Additional Special Assessments.** The Board does not anticipate any remaining principal, interest owing on the loan after the final monthly special assessment. However, to the extent there are amounts still owing on the loan, each owner will be specially assessed as a final assessment to pay for any remaining expenses. This Resolution does not prohibit the Board from levying additional special assessments because of unexpected expenses due to nonpayment by other owners or other unforeseen circumstances. Payment of all or part of any special assessment by an owner under this Resolution does not entitle that owner to a release from any liability for future assessments arising out of the remediation project or borrowing of funds by the Association.

5. **NSF Fee.** In the event that a check purporting to pay a monthly special assessment is returned for reason of non-sufficient funds or for any other reason, there will be levied against that unit and owner a charge in accordance with an Association Collection Resolution plus any other additional charges established by an Association Collection Resolution.

6. **Collection of Unpaid Special Assessments.** All unpaid sums due under this Serial Special Assessment Resolution shall be collected in accordance with the Declaration, Bylaws and any rules and regulations of the Association, including without limitation the Collection Resolution adopted by the Board of Directors on May 20, 2012. In addition to the right to charge late fees and interest chargeable under the Collection Resolution, delinquent owners may be subject to the following:

(a) **Acceleration.** If any assessment remains unpaid for thirty (30) days, the Board may levy the Principal amount of all remaining special assessments under this Resolution.

(b) **Attorney Fees.** In accordance with the Declaration and Bylaws, the Association shall have the right to recover any attorney fees and costs incurred in any collection efforts to recover unpaid assessments, regardless of whether suit is filed to collect such assessments.

7. **Notice of Monthly Special Assessment Amount.** The Board of Directors shall advise each owner in writing of the amount of assessments payable by such owner and of the date

by which the lump sum or first monthly assessment is to be paid. The Board of Directors shall furnish a copy of the budget on which such assessments are based.

8. **Discretion to Record Notice of Special Assessment.** To the extent they deem it necessary or appropriate, the Board of Directors may record a notice of special assessments in the deed records of Clatsop County, Oregon against all units.
9. **Amendment.** The Board may amend this Serial Special Assessment Resolution and the amounts under Exhibit A below as such other changes are needed from time to time. Should the amounts under the Table of Payments in Exhibit A be amended, the Board shall distribute an updated Table of Payments to the affected owners.

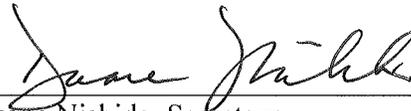
The undersigned Chairperson and Secretary certify that this Resolution was approved by the Board of Directors at a meeting held on: 7-29-19.

The undersigned Chairperson and Secretary further certify that a majority of all unit owners have approved the removal of stone and replacement with lap siding and removal of concrete deck surfaces and installation of waterproofing material on decks in accordance with Section 3.7(k) of the Bylaws at a meeting held on: 7-29-19.

Dated: 7-29-19



Paul Plunk, Chairperson
Bridgeport Condominiums Unit Owners
Association



Duane Nishida, Secretary
Bridgeport Condominiums Unit Owners
Association

EXHIBIT A
Table of Payments

Total Principal Assessed: \$2,850,000
 Interest Rate*: 5.14% (rate is subject to adjustment every 5 years)
 Periods (in months): 240
 Total Square Footage: 54,728

Unit	Square Footage	Share of Expenses	Principal	Interest	Principal plus Interest	Monthly Assessment
101	1,244	2.273%	\$64,782.20	\$39,032.17	\$103,814.37	\$432.56
102	1,240	2.266%	\$64,573.89	\$38,906.66	\$103,480.56	\$431.17
103	1,240	2.266%	\$64,573.89	\$38,906.66	\$103,480.56	\$431.17
104	1,240	2.266%	\$64,573.89	\$38,906.66	\$103,480.56	\$431.17
105	1,236	2.258%	\$64,365.59	\$38,781.16	\$103,146.75	\$429.78
106	1,262	2.306%	\$65,719.56	\$39,596.94	\$105,316.50	\$438.82
107	1,242	2.269%	\$64,678.04	\$38,969.42	\$103,647.46	\$431.86
108	1,243	2.271%	\$64,730.12	\$39,000.79	\$103,730.91	\$432.21
109	1,243	2.271%	\$64,730.12	\$39,000.79	\$103,730.91	\$432.21
110	1,245	2.275%	\$64,834.27	\$39,063.55	\$103,897.82	\$432.91
111	1,247	2.279%	\$64,938.42	\$39,126.30	\$104,064.72	\$433.60
201	1,244	2.273%	\$64,782.20	\$39,032.17	\$103,814.37	\$432.56
202	1,240	2.266%	\$64,573.89	\$38,906.66	\$103,480.56	\$431.17
203	1,240	2.266%	\$64,573.89	\$38,906.66	\$103,480.56	\$431.17
204	1,240	2.266%	\$64,573.89	\$38,906.66	\$103,480.56	\$431.17
205	1,236	2.258%	\$64,365.59	\$38,781.16	\$103,146.75	\$429.78
206	1,262	2.306%	\$65,719.56	\$39,596.94	\$105,316.50	\$438.82
207	1,242	2.269%	\$64,678.04	\$38,969.42	\$103,647.46	\$431.86
208	1,243	2.271%	\$64,730.12	\$39,000.79	\$103,730.91	\$432.21
209	1,243	2.271%	\$64,730.12	\$39,000.79	\$103,730.91	\$432.21
210	1,245	2.275%	\$64,834.27	\$39,063.55	\$103,897.82	\$432.91
211	1,247	2.279%	\$64,938.42	\$39,126.30	\$104,064.72	\$433.60
301	1,244	2.273%	\$64,782.20	\$39,032.17	\$103,814.37	\$432.56
302	1,240	2.266%	\$64,573.89	\$38,906.66	\$103,480.56	\$431.17
303	1,240	2.266%	\$64,573.89	\$38,906.66	\$103,480.56	\$431.17
304	1,240	2.266%	\$64,573.89	\$38,906.66	\$103,480.56	\$431.17
305	1,236	2.258%	\$64,365.59	\$38,781.16	\$103,146.75	\$429.78
306	1,262	2.306%	\$65,719.56	\$39,596.94	\$105,316.50	\$438.82
307	1,242	2.269%	\$64,678.04	\$38,969.42	\$103,647.46	\$431.86
308	1,243	2.271%	\$64,730.12	\$39,000.79	\$103,730.91	\$432.21
309	1,243	2.271%	\$64,730.12	\$39,000.79	\$103,730.91	\$432.21

Unit	Square Footage	Share of Expenses	Principal	Interest	Principal plus Interest	Monthly Assessment
310	1,245	2.275%	\$64,834.27	\$39,063.55	\$103,897.82	\$432.91
311	1,247	2.279%	\$64,938.42	\$39,126.30	\$104,064.72	\$433.60
401	1,244	2.273%	\$64,782.20	\$39,032.17	\$103,814.37	\$432.56
402	1,240	2.266%	\$64,573.89	\$38,906.66	\$103,480.56	\$431.17
403	1,240	2.266%	\$64,573.89	\$38,906.66	\$103,480.56	\$431.17
404	1,240	2.266%	\$64,573.89	\$38,906.66	\$103,480.56	\$431.17
405	1,236	2.258%	\$64,365.59	\$38,781.16	\$103,146.75	\$429.78
406	1,262	2.306%	\$65,719.56	\$39,596.94	\$105,316.50	\$438.82
407	1,242	2.269%	\$64,678.04	\$38,969.42	\$103,647.46	\$431.86
408	1,243	2.271%	\$64,730.12	\$39,000.79	\$103,730.91	\$432.21
409	1,243	2.271%	\$64,730.12	\$39,000.79	\$103,730.91	\$432.21
410	1,245	2.275%	\$64,834.27	\$39,063.55	\$103,897.82	\$432.91
411	1,247	2.279%	\$64,938.42	\$39,126.30	\$104,064.72	\$433.60
Total	54,728	100.00%	\$2,850,000.00	\$1,717,164.46	\$4,567,164.46	\$19,029.85