

**THE ASSOCIATION OF UNIT OWNERS OF SUNSHINE CREEK CONDOMINIUMS
BOARD RESOLUTION FOR CAPITAL CONTRIBUTION BY NEW OWNERS**

The following Resolution was adopted on July 29, 2021, by the Board of Directors ("Board") of the Association of Unit Owners of Sunshine Creek Condominiums.

RECITALS

WHEREAS, the Board has authority pursuant to Sections 13.4 and 13.6 of the Declaration Submitting Sunshine Creek Condominiums to Condominium Ownership (the "Declaration"), Section 5.2 of the Bylaws of the Association of Unit Owners of Sunshine Creek Condominiums (the "Bylaws"), and ORS 100.405(4)(b) and (g) to levy assessments for the maintenance, repair, and replacement of the commonly maintained property; and

WHEREAS, the Board, after review of the Association's general operating reserve fund, has determined that it is necessary and in the best interest of the Association to propose an amendment to the Bylaws that would require future buyers of any units within the Association to pay the Association, upon title transfer, a capital contribution in a sum equal to one-sixth (1/6th) of the then annual assessment with respect to the particular unit being purchased; and

WHEREAS, Article XIII of the Bylaws provides, in part, that the Bylaws may be amended by Unit Owners holding a majority of the total voting rights allocated to the Units in a duly-constituted meeting or by ballot called for such purpose; and

WHEREAS, Section 4.5 of the Bylaws allows that, upon resolution of the Board, any vote of Unit Owners to approve a particular matter may be held at a properly noticed Special Meeting of the Association; and

WHEREAS, under Section 2.7 of the Bylaws and ORS 100.425 the Board has discretion to propose a vote on an amendment to the Bylaws to be conducted by written proxy ballot in lieu of a formal meeting.

NOW, THEREFORE, IT IS HEREBY

RESOLVED, that the Board hereby directs Association Management to prepare and deliver written ballots to all owners under Sections 2.7 and 4.5 of the Bylaws seeking a "yes" or "no" vote on the following proposed amendment to the Article VII Section 7.3(b) and (c) of the Bylaws:

(Proposed additions to the Bylaws are italicized; proposed deletions from the Bylaws are struck through):

(b) **Working Capital Contribution Fund.** ~~A working capital reserve fund in the amount of two months of (that is one sixth of the annual) estimated common expense assessments based on substantial or full occupancy of the Residential Units shall be established by the Declarant and is held by the Association to meet unforeseen expenditures or to purchase~~

~~any additional equipment or services. [FNMA, sec. 606.02]. Upon the closing of every sale or transfer of any Residential Unit to a new owner, the buyer or transferee shall pay a one-time contribution to the working capital of the Association in a sum equal to one-sixth (1/6th) of the then current annual assessment amount for the Residential Unit sold or transferred either at the time the first sale of the such Unit is closed or at the Turnover Meeting, whichever first occurs. Amounts paid into this fund shall not be considered advance payments of regular assessments. The working capital contribution required hereunder shall be in addition to regular or special assessments and shall not be used as a prepayment of regular or special assessments by any Owner. The working capital contribution shall be allocated to the General Operating Account provided for in Section 7.3(c) of these Bylaws. The fund shall be transferred to the Association for deposit to a segregated fund at the time of the Turnover Meeting. The Declarant shall be prohibited from using the working capital funds to defray any of its expenses, reserve contributions, or construction costs or to make up any budget deficits while Declarant is in control of the Association. When a Residential Unit is first sold, the Declarant may reimburse itself for funds it paid the Association for the unsold Unit's share of the working capital fund by using funds collected at closing of the Unit. [FNMA, sec. 606.02].~~

~~(c) **General Operating Account Reserve.** In the discretion of tThe Board, it may shall maintain a general operating account by allocation and payment thereto monthly of an amount determined by the Board. Working capital contributions collected as set forth in Section 7.3(b) of these Bylaws shall also be allocated and paid into the general operating account.~~

(As amended, the proposed amendment to the Article VII Section 7.3(b) and (c) of the Bylaws shall read):

(b) Working Capital Contribution. Upon the closing of every sale or transfer of any Residential Unit to a new owner, the buyer or transferee shall pay a one-time contribution to the working capital of the Association in a sum equal to one-sixth (1/6th) of the then current annual assessment amount allocated to the Residential Unit sold or transferred. The working capital contribution required hereunder shall be in addition to regular or special assessments and shall not be used as a prepayment of regular or special assessments by any Owner. The working capital contribution shall be allocated to the General Operating Account provided for in Section 7.3(c) of these Bylaws.

(c) General Operating Account. The Board shall maintain a general operating account by allocation and payment thereto monthly of an amount determined by the Board. Working capital contributions collected as set forth in Section 7.3(b) of these Bylaws shall also be allocated and paid into the general operating account.

RESOLVED, if the Unit Owners vote to approve the proposed amendments to Article VII Section 7.3(b) of the Bylaws, any Residential Unit sold thereafter shall be subject to the working capital contribution as set forth in this Resolution; and it is hereby further,

RESOLVED, if the Unit Owners vote to approve the proposed amendments to Article VII Section 7.3(c) of the Bylaws, the Board is hereby authorized and directed on behalf of the Association to establish a general operating reserve account as set forth in this Resolution and pursuant to Section 5.2(w) of the Bylaws; and it is hereby further,

RESOLVED, if the Unit Owners vote to approve the proposed amendments to Article VII Section 7.3 (c) of the Bylaws, the Board is hereby authorized and directed to utilize the general operating reserve account for the purpose of meeting the Association's unforeseen expenditures or to purchase any additional equipment or services, as determined in the Board's discretion; and it is hereby further

RESOLVED, that the Board directs Association Management to send all owners a copy of this Resolution along with the written proxy ballot in accordance with Section 2.7 of the Bylaws. This Resolution will be effective upon mailing.

This Resolution was passed by the Board of Directors on the 29th day of July, 2021.

Sharon M. Bacon
Title: PRESIDENT

ATTEST:

Susan J. Young
Title: vice President