

**THE ASSOCIATION OF UNIT OWNERS OF
OSWEGO RIDGE CONDOMINIUMS, INC.
Resolution of the Board of Directors**

LOAN RESOLUTION

RECITALS

- A. The Association of Unit Owners of Oswego Ridge, a Condominium (“**Association**”) is charged with the operation and management of Oswego Ridge Condominiums, located in Clackamas County, Oregon (“**Condominium**”).
- B. The Association is governed by the following documents recorded in Clackamas County, Oregon:
 - 1. *Declaration Submitting Oswego Ridge, A Condominium to Condominium Ownership* recorded January 17, 1997, as Document No. 97-004011 including any amendments thereto (“**Declaration**”);
 - 2. *Bylaws of the Association of Unit Owners of Oswego Ridge, A Condominium* recorded as Exhibit D to the Declaration including any amendments thereto (“**Bylaws**”).
 - 3. Plat for *Oswego Ridge, A Condominium*, recorded January 17, 1997 as Document Number 97-1040 including all amendments thereto (“**Plat**”).
- C. The Association is also governed by the Oregon Condominium Act, ORS Chapter 100.
- D. Pursuant Article 14, Section 14.3 of the Declaration, and Article 3, Section 3.7 of the Bylaws and ORS 100.405(3), the affairs of the Association are governed by the Association’s Board of Directors (“**Board**”).
- E. Pursuant to Article 3, Section 3.7 of the Bylaws and ORS 100.417, the Board of Directors has all of the powers and duties necessary for administration of the affairs of the Association. These powers include the responsibility for the operation, care upkeep, maintenance and repair of the common elements pursuant to Article 3, Section 3.7(a) of the Bylaws and the ability to determine amounts required for the operation, maintenance and other affairs of the Association, as well as making such expenditures, pursuant to Article 3, Section 3.7(b) of the Bylaws.
- F. Pursuant to Article 5, Section 5.4 of the Bylaws, the Board of Directors shall determine the amount of any special assessment to be paid during each fiscal year.
- G. Pursuant to ORS 100.405(4)(f), the Association has the power to make contracts and incur liabilities, to assign its right to future income, and to exercise any other powers

determined by the association to be necessary and proper for the governance and operation of the Association.

- H. The Board of Directors has determined, in consultation with engineers, waterproofing consultants and remediation contractors that extensive rehabilitation and deferred maintenance work is required to the exterior envelope of the Condominium buildings. This will include conversion of the Association's tile roof system to a composition shingle roof system which is more cost effective.
- I. The Board of Directors previously referred out to a vote of the homeowners the proposed "capital improvement project" – converting tile roofs to composition shingle roofs at their meeting on March 20, 2017. The Homeowners overwhelmingly (35 in favor and 6 against) authorized the capital improvement portion of this project.
- J. The funding required for this project is estimated to be \$3,934,451.75. The Association has received a loan commitment from Northwest Bank, in excess of this amount. The loan will be structured as a line of credit for a period of up to twelve (12) months which will convert to a nineteen (19) year term loan with an interest rate adjustment at the date of conversion and then with interest rate resets every five (5) years.
- K. The Board is adopting a Special Assessment Resolution concurrently with this Loan Resolution.

RESOLUTION

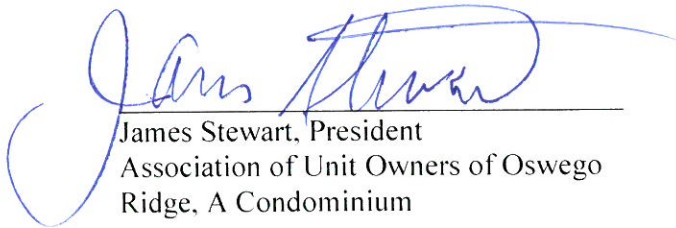
NOW THEREFORE IT IS RESOLVED THAT, pursuant to the authority under ORS 100.405(4)(f), the Board of Directors will secure, finalize and obtain a loan from Northwest Bank on behalf of the Association. The Board adopts this resolution to empower various Board members to finalize the loan documentation and administration:

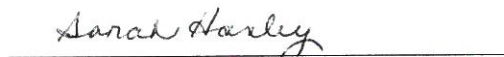
- 1. **Type.** The loan will begin as an interest-only construction line of credit not to exceed \$3,934,451.75 lasting 12 months and at an initial interest rate of 4.75% per annum or such other percentage as the Board is able to secure prior to closing the loan. When the line of credit period ends on before June 1, 2018 (or such earlier time as the Board and Northwest Bank may designate) the line of credit will convert to a nineteen (19) year term loan with an adjustable interest rate. The rate will be adjusted at five (5) year intervals from the conversion date and will be based upon the Federal Home Loan Bank (FHLB Index) plus 2.5%. The interest rate will not be lower than 4.75%.
- 2. **Amount.** The Board of Directors currently estimates that the amount of the loan will be \$3,924,451.75.
- 3. **Closing.** The Board of Directors hereby designates James Stewart, Chairperson and Sarah Hanley, Treasurer to attend the loan closing and execute all documents necessary for finalizing the loan. Such documents shall include, but not be limited to:
 - (a) Additional Loan Application documents and commitment letter(s);

- (b) Bank form Corporate Loan Resolution to Borrow/Grant Collateral;
- (c) Promissory Note;
- (d) Business Loan Agreement;
- (e) Commercial Security Agreement;
- (f) Agreement and Absolute Assignment of Income;
- (g) Financing Statement showing Northwest Bank as secured party;
- (h) Borrower's Closing Certificate;
- (i) Disbursement Request and Authorization; and
- (j) Borrower's Affidavit.

4. **Loan Administration.** The Board further designates the James Stewart, Chairperson, Sarah Hanley, Treasurer, and Wes Finchum, Community Manager, as well as their successors, to communicate with Northwest Bank regarding matters related to the application, finalization and administration of the loan.

April 29, 2017.


James Stewart, President
Association of Unit Owners of Oswego
Ridge, A Condominium


Sarah Hanley, Treasurer
Association of Unit Owners of Oswego
Ridge, A Condominium