

SEP 12 2019

Re: Proposed declaration amendment for Summerhill Village Homeowners Association

Dear Owners:

We are writing to you about a proposed amendment to the Association's Declaration regarding the Association's ability to borrow funds and to securitize a loan. As you know, the Association has hired a contractor to replace all the roofs in Summerhill Village. The roofs are all about 20 years old and have reached the end of their useful life. Replacing the roofs now will result in substantial savings in maintenance and repair costs for the Association in the long run.

Currently, the Association has the authority to borrow funds. Unfortunately, the Declaration doesn't have key language that lenders require before agreeing to lend money to community associations. The amendment addresses that omission.

Before a bank will loan funds to a condominium association, in addition to having the authority to borrow funds, the association must also have the ability to pledge its right to collect future assessments to the lender as security for a loan. In the event the Association were to default on its payments to the lender under the loan, this would give the lender the ability to collect assessments directly from owners to satisfy the loan. Without this collateral, banks are unwilling to loan funds to condominium associations. This is a common provision in many condominium declarations. The proposed amendment corrects this and should allow the Association to enter into a loan agreement with a lender.

The board encourages all owners to return the enclosed written consent form as soon as possible. If the proposed amendment is not approved, the only option for the Association would be to adopt a lump sum special assessment per unit to cover the cost of the roof replacement. If the amendment is approved, the Board will proceed with seeking approval of a loan. Obtaining a loan will allow the Association to finish the roof replacement project now and spread the assessments to fund the repairs out over time. It will also allow the Association to keep your monthly assessments as low as possible while still making sure the necessary repairs are not deferred any longer. To reiterate, without this amendment, owners may have to be assessed a large, lump sum amount to pay for the repairs and/or the repairs will have to be deferred, potentially resulting in even more costly repairs down the road.

A written consent form has been enclosed for your convenience. If you agree with the amendment, please fill out the written consent form and return it to the Association's manager or to any Board member as soon as possible. If you have any questions, please do not hesitate to contact a Board member.

Sincerely yours,

The Board of Directors

SIXTH AMENDMENT TO THE DECLARATION

FOR

SUMMERHILL VILLAGE, A CONDOMINIUM

Whereas a certain DECLARATION FOR SUMMERHILL VILLAGE, A CONDOMINIUM, (the "Declaration"), was recorded on July 9, 1999, under King County Recording Number 19990709000328, records of King County, Washington, as amended by filings recorded under the following recording number(s): 19991026000857, 19991104000533, 20000223001557, 20000725001686 and 20001129001094, and that certain Survey Map and Plans for Phase I recorded in Volume 157 of Condominiums, page(s) 62 through 70, and whereas under the provisions of Article 21 of the Declaration it may be amended, and

Whereas the procedures for such amendment have been followed,

Now, therefore, the undersigned does hereby certify that, after approval by a majority of the Board prior to its adoption by the Owners, the vote or agreement of Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated was obtained, to hereby declare and adopt the following amendment to the Declaration:

Replace ARTICLE 10 MANAGEMENT OF CONDOMINIUM, Section 10.5 Borrowing by Association, with the following:

10.10 Borrowing by Association. In the discharge of its duties and the exercise of its powers, the Board may borrow funds on behalf of the Association and, to secure the repayment of those funds, may levy an Assessment against each Unit and its Owner thereof for that Unit's pro rata share of the funds borrowed, including interest payable thereon, and may assign the Association's right to future income including the right to receive the Assessment proceeds to banks, other financial institutions, lenders and/or contractors as security for such loans. The Owner of a Unit may remove his or her Unit from the Assessment lien in the same manner as provided by RCW 64.34.368.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

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President, Summerhill Village  
Homeowners Association

WRITTEN CONSENT TO AMENDMENT

NAME(S) OF UNIT OWNER(S): \_\_\_\_\_

I, the undersigned, an owner of unit # \_\_\_\_\_, do hereby give my consent to the proposed SIXTH AMENDMENT TO THE DECLARATION FOR SUMMERHILL VILLAGE, A CONDOMINIUM, pertaining to the Association's authority to borrow funds and to pledge its right to future income as security for a loan, and hereby waive any required notice of a regular or special meeting of the membership of the Association to approve the same.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Owner

RESOLUTION OF THE BOARD OF DIRECTORS

OF

SUMMERHILL VILLAGE HOMEOWNERS' ASSOCIATION

WHEREAS, the Board of Directors has considered for approval and submission to owners the proposed SIXTH AMENDMENT TO THE DECLARATION FOR SUMMERHILL VILLAGE, A CONDOMINIUM, pertaining to the Association's authority to borrow funds and to pledge its right to future income as security for a loan,

WHEREAS, a majority of the Board approves of said amendment and its submission to the owners for approval; wherefore,

BE IT RESOLVED by the Board of Directors that the proposed amendment is approved by the Board and will be submitted to the owners for their consent and/or approval.

Adopted this 11<sup>th</sup> day of September, 2019.

BOARD OF DIRECTORS

By: Cami Gonzalez  
Its: President

Please note:

You can mail your ballot back in the enclosed envelope or scan and email to [tmay@macphersonspm.com](mailto:tmay@macphersonspm.com)

Should you need to reach out to someone please contact:

Teresa May

Community Association Manager

Summerhill Village

MacPherson's Property Management

18551 Aurora Ave N #100

Shoreline WA 98133

Email: [tmay@macphersonspm.com](mailto:tmay@macphersonspm.com)

Office Phone: 425.747.5900

Or the website at

<https://summerhillvillage.org/contact-us/>