

OAK HILLS HOMEOWNERS ASSOCIATION
Resolution of the Board of Directors

LOAN RESOLUTION

RECITALS

- A. The Oak Hills Home Owners Association (“**Association**”) is charged with the operation and management of the Oak Hills Subdivision located in Washington County, Oregon.

- B. The Association is governed by the following documents recorded in Washington County, Oregon
 - a. The *Amended and Restated Declarations of Restrictions of Oak Hills Home Owners Association (Covenants, Conditions & Restrictions)* recorded as document number 2013-038732 as amended and supplemented from time to time (“**CCRs**”); and

 - b. The Bylaws of the Oak Hills Home Owners Association as amended and supplemented from time to time (“**Bylaws**”).

- C. The Association is also governed, in certain respects, by the Oregon Planned Community Act, ORS Chapter 94 (“**Act**”).

- D. Pursuant to ORS 94.640 and Article III, Section 4 of the Bylaws, the affairs of the Association are governed by the Association’s Board of Directors (“**Board of Directors**”).

- E. Pursuant to ORS 94.640 and Article III, Section 4 of the Bylaws, the Board of Directors has all the powers and duties necessary for the administration of the affairs of the Association. These powers include the responsibility for the operation, care, upkeep, maintenance, repair of the Common Property, Association Property and any other item within the Association’s maintenance responsibility pursuant to Article XI, Section (a)(1) of the CCRs. This includes the authority to determine amounts required for the maintenance and improvement of Common Property and Association Property pursuant to Article IX, Section (f) of the CCRs.

- F. Pursuant to ORS 94.630(1)(b), Article IX, Sections 1 and 2 of the CCRs and Article III Section 4 of the Bylaws, the Board of Directors may develop budgets and set assessment levels to fund the, maintenance, repair and replacement and improvement of Common Property and Association Property;

- G. Pursuant to Article IX Section 2(b), as amended, the Board of Directors may levy a series of separate and distinct individual monthly special assessments to fund maintenance, repair or replacement of Association Common Property or Association Property or to fund a capital improvement. This assessment shall not be enforceable until after the Board of Directors has secured a two-third (2/3) authorizing vote from the members of the Association cast at an annual meeting or special meeting called for that purpose. The Board of Directors previously adopted a Special Assessment Resolution and the President and Treasurer of the Association certify that they achieved the requisite authorizing vote;
- H. The Board of Directors previously tasked the Association Building Committee with investigating the current condition of the Oak Hills Gymnasium, Pool and Recreation Center facilities (“Community Center”). The Committee has determined, with the assistance of a structural engineer, project architect and contractor that the Community Center Facilities are in need of a substantial repair and overhaul. The Committee also investigated options for upgrading the facilities.
- I. The Building Committee’s total project estimate for the Community Center renovation and upgrade project, including legal, consulting and management fees is \$4,225,000.00. To fund this project, the Association has received a loan commitment from Mutual of Omaha Bank. This loan will be fully funded into a controlled disbursement account with construction draws being made from this account.
- J. The Board of Directors finds it to be in the best interests of the Association and all homeowners at Oak Hills to levy a series of individual monthly special assessments as provided in this Resolution to service the loan covering the costs of the renovation.

NOW THEREFORE IT IS RESOLVED THAT the Board of Directors will secure, finalize and obtain a loan from Mutual of Omaha Bank on behalf of the Association. The Board adopts this resolution to empower various Board members to finalize the loan documentation and administration:

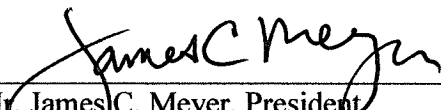
1. **Draw Period:** The loan will be fully funded into a controlled disbursement account from which construction draws may be made.
2. **Type:** the loan will be for a fixed term of fifteen (15) years at a rate of approximately four and a half percent (4.5%) interest or such other percentage as the Board is able to secure prior to closing the loan.
3. **Amount:** the Board of Directors currently estimates that the amount of the loan will be \$4,225,000 less any amounts pre-paid by the homeowners.
4. **Closing:** the Board of Directors hereby designates James C. Meyer, Director and President, and Linda C. Marshall, Secretary and Director to attend the loan closing and

execute all documents necessary for finalizing the loan. Such documents shall include, but not be limited to:

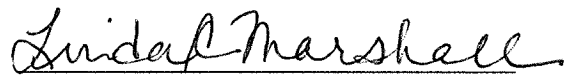
- a. Additional Loan Application documents and commitment letter(s);
- b. Secured Promissory Note/Commercial Security Agreement;
- c. Agreement and Absolute Assignment of Income;
- d. Financing Statement showing Mutual of Omaha Bank as secured party;
- e. Loan and Security Agreement; and
- f. Borrower's Affidavit.

5. Loan Administration: the Board hereby designates Community Management Inc., the Association's community management firm, to communicate with Mutual of Omaha regarding any matters related to the loan. The Board further designates Mr. James C. Meyer, President, and Mr. Bob Erickson, Treasurer and Mr. Tom LaVoie, Community Manager, as well as their successors, to communicate with the Bank regarding matters related to the application, finalization and administration of the loan.

ATTEST:



Mr. James C. Meyer, President
Board of Directors
Oak Hills Home Owners Association



Ms. Linda C. Marshall, Secretary
Board of Directors
Oak Hills Home Owners Association

DATED this 5TH of AUGUST, 2015.