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**ARBOR VILLAGE HOMEOWNER'S ASSOCIATION**  
**POLICY RESOLUTION REPAYMENT OF RESERVES**

WHEREAS, and Article VIII, Section 7.1 Powers and Duties of the Board of Directors, of the Bylaws of the Arbor Village Homeowner's Association, provide for the management of the affairs of the Arbor Village Homeowner's Association, a nonprofit corporation formed under the laws of the State of Oregon;

WHEREAS, Article VIII, Section 7.1 (A) Powers and Duties of the Board of Directors, of the Bylaws grants the Board of Directors the right to enforce said Declaration, Bylaws and rules and regulations of the Association, pursuant to its authority as provided in the Declaration, Articles of Incorporation and Bylaws.

AND WHEREAS, it is the intent of the Board to maintain adequate reserve funding for the replacement of all items of common property as required by the Oregon Planned Community Act. However the act does allow the board of directors to borrow funds from the reserve account to meet high seasonal demands on the regular operating funds or to meet unexpected increases in expenses providing that the board has adopted a resolution, authorizing the borrowing of funds from the reserve account.

NOW, THEREFORE, BE IT RESOLVED THAT the following procedure will be used to repay any funds borrowed from the reserve account to meet the operating or special needs of the Association.

- 1) The total of any funds borrowed and not repaid within the previous budget year of the Association will be noted on the last financial report of that budget season.
- 2) At the first board meeting following the month in which the Board receives the final financial report of the prior fiscal year the Board shall adopt via a formal written motion a policy that outlines the repayment schedule for any reserve funds that were borrowed during the prior budget year.

ATTEST:

March 13, 2010  
Date

  
Chairperson, Board of Directors