

ROLLING HILLS CONDOMINIUM ASSOCIATION, INC.
RESOLUTION OF THE BOARD OF TRUSTEES TO BORROW AN AMOUNT NOT TO
EXCEED \$2,000,000.00 FROM NORTH FORK BANK FOR THE PURPOSE OF
FUNDING THE REPLACEMENT OF EXISTING CEDAR SIDING WITH VINYL
SIDING AND TO AUTHORIZE A SPECIAL ASSESSMENT TO PAY THE INTEREST,
PRINCIPAL PAYMENTS AND ALL OTHER SUMS REQUIRED IN CONNECTION WITH
SAID BORROWING AND THE VINYL SIDING REPLACEMENT PROJECT

WHEREAS, Article III, Section 7 of the By-Laws states that
"the affairs of the Association shall be governed by the Board of
Trustees, except as otherwise provided by the Articles of
Incorporation, the Master Deed, these By-Laws and by law,
specifically, the New Jersey Non-Profit Corporation Act,
N.J.S.A., 15A:1, et seq. All of these aforesaid powers and
duties are hereby irrevocably delegated to the Board of Trustees
of Rolling Hills Condominium Association, Inc. except as may
otherwise be expressly provided to the contrary", and,

WHEREAS, the Board of Trustees (hereinafter "the Board"),
with the advice of Management and the Association Engineer,
determined that replacing the deteriorating cedar siding with low
maintenance and long life vinyl siding at this time is a prudent
decision; and

WHEREAS, the cost of this work is projected at approximately
\$2,765,746.00, which figure includes the construction bid,
materials to replace water damaged sheathing, a 20% contingency
for unknown damage, municipal permit fees, construction

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management costs, legal and administrative costs, and interest on a \$1,500,000.00 commercial loan, subject to additional mortgage principal and additional interest charges if the 20% contingency is utilized; and

WHEREAS, the Board projects that, taking into account the anticipated above stated cost of the work, "seeding" this project with \$300,000.00 from the developer litigation settlement, and a contingency of 20% and loan interest over a 10 year term, the loan amount may be approximately \$1,889,000.00 instead of \$1,500,000.00; and

WHEREAS, since the funds are not needed all at once, the Board intends to start with a line of credit that will convert to a 10 year permanent mortgage with a repayment term of ten (10) years, with a limited right to prepay the principal amount by up to 5% per year without penalty, on an interest only basis for the first 2 years of the total of 10 years loan, and thereafter, the repayment on the permanent loan will be on a principal and interest basis at a fixed rate of interest; and

WHEREAS, the Board requested that the Members of the Association, consent to the foregoing transaction, approve the same, and authorize the Board of Trustees, to enter into this transaction on behalf of the Association, and to execute and

deliver to North Fork Bank the Note, Loan and Security Agreement and other instruments which evidence the indebtedness of the Association and; and

WHEREAS, the Members of the Association, by the affirmative vote of more than 66 2/3% of all Members in good standing and entitled to vote, approved a Resolution that the Board of Trustees, on behalf of the Rolling Hills Condominium Association, Inc., acting by and through the President or Vice President, and Secretary or Acting Secretary, is hereby authorized to enter into an agreement with North Fork Bank to borrow the sum of One Million Five Hundred Thousand Dollars, or such total amount determined to be necessary, but not to exceed a total amount of Two Million Dollars, and to take any and all action and to execute any and all documents necessary in order to close on the North Fork Bank mortgage and to repay this mortgage by exterior siding assessment, and to use the mortgage proceeds to pay the cost of the materials and labor required to remove the deteriorated and high maintenance wood sheathing and install vinyl siding on all condominium buildings, and all other actions necessary and proper in order to effectuate the grant of this

authority.

NOW, THEREFORE, BE IT RESOLVED:

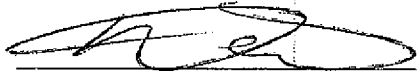
1. The Board of Trustees, on behalf of the Rolling Hills Condominium Association, Inc., acting by and through the President or Vice President, and Secretary or Acting Secretary, is hereby authorized to enter into an agreement with North Fork Bank to borrow the sum of One Million Five Hundred Thousand Dollars, or such total amount determined to be necessary, but not to exceed a total amount of Two Million Dollars, and to take any and all action and to execute any and all documents necessary in order to close on the North Fork Bank mortgage and to repay this mortgage by exterior siding assessment, and to use the mortgage proceeds to pay the cost of the materials and labor required to remove the deteriorated and high maintenance wood sheathing and install vinyl siding on all condominium buildings, and all other actions necessary and proper in order to effectuate the grant of this authority.
2. The Board of Trustees hereby authorizes, makes, creates, establishes and shall keep in full force and effect a Special Assessment in an amount sufficient to pay the interest, principal amortization payments and all other sums required by the North Fork Bank Loan Documents; that the Special Assessment shall be assessed against all the condominium units; that each Unit Owner shall promptly pay the common charges and Special Assessment as directed by the Association acting through the Board of Trustees; that the Association shall diligently collect the common charges and Special Assessment from each Unit Owner and shall take all appropriate collection action, including imposing a lien against each and every unit owned by a Unit Owner who does not timely pay the common charge or special assessment.
3. The Board of Trustees directs that this Resolution shall be published in the community newsletter to be mailed to the

members of the Association.

CERTIFICATION

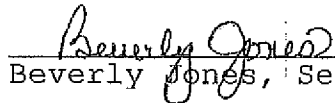
We hereby certify that the foregoing was duly adopted at a regular meeting of the Board of Trustees of Rolling Hills Condominium Association, Inc., held on the 28th day of September, 2006

9/28/06
Date



Ron Lorman, President
Francis Dusart, VICE PRESIDENT

Sept. 28th 2006
Date



Beverly Jones, Secretary

STATE OF NEW JERSEY)
COUNTY OF SUSSEX) SS:

I CERTIFY that on September 28, 2006, Beverly Jones, personally came before me and this person acknowledged under oath, to my satisfaction, that:

- (a) this person is the Secretary of Rolling Hills Condominium Association, Inc., the corporation named in this document;
- (b) this person is the attesting witness to the signing of this document by the proper corporate officer who is Ron Lorman, the President of the corporation.
- (c) this document was signed and delivered by the corporation as its voluntary act duly authorized by a proper resolution of its Board of Trustees.
- (d) this person knows the proper seal of the corporation which was affixed to this document; and