

POND PLACE TAX DISTRICT ADMINISTRATIVE RESOLUTION ESTABLISHING THE SPECIAL CAPITAL RESERVE FUND

The Board of Directors (the “Board”) of the Pond Place Tax District (the “District”), in a meeting duly noticed and held on January 23, 2017, pursuant to Section 8.2 of the Governing Ordinance of the District (the “Ordinance”), considered and acted upon the following Administrative Resolution in accordance with the authority granted and responsibilities delegated to the District in Article II, Section 2.3, and Article XXII of the Lease by and between Pond Place Association, Inc. (the “Association”) and the District, dated June 14, 1982:

WHEREAS, the Board is authorized pursuant to Section 8.2.b. of the Ordinance to undertake such actions and resolutions as may be reasonably necessary to operate and maintain the roads, utilities, recreation parks, playgrounds, swimming pools, tennis courts, trails, parking lots, open space, commons, streets, and footways (including building structures and real personal property of the District); and

WHEREAS, the Board is authorized, pursuant to Section 8.2.c. of the Ordinance to open bank accounts in the name of the District and designate required signatories therefor; and

WHEREAS, the Board is authorized pursuant to Section 8.2.e. of the Ordinance to establish trust funds and appoint trustees for the accumulation of capital reserves; and

WHEREAS, the Board is authorized pursuant to Section 8.2.g. of the Ordinance to do all things reasonably necessary to effectuate the purposes of the Ordinance by means of Administrative Resolution; and

WHEREAS, Article II, Section 2.3 of the Lease requires the District to maintain all improvements in a “like new” condition, and permits the use of reserve funds to accomplish this task; and

WHEREAS, the Pond Place Association, Inc. financed the purchase of the Land Lease receivables for all outstanding Pond Place Land Leases from Avon Homes, Inc. by a loan from Windsor Federal Savings & Loan Association secured by pledge of said receivables and all such indebtedness was fully and finally paid in 2016 out of said Land Lease receivables; and

WHEREAS, Article XXII of the Lease authorizes the District to establish a Capital Reserve into which it may deposit these funds, and further directs the District to maintain reasonably adequate reserves as may be prudent to provide for the maintaining, replacement and additions to the capital improvements conveyed with the Lease to the standard set forth in Article II, Section 2.3 reference above.

NOW, THEREFORE, having considered the matter of establishing a Special Capital Reserve Fund (the "Special Fund") and the means by which such Special Fund is to be administered, preserved and maintained for the future benefit of the Pond Place community, the Board and Association hereby jointly resolve:

1. That the President and/or Treasurer are hereby directed to establish an account to be known as the Pond Place Special Capital Reserve Fund with an appropriate financial institution into which all existing and future net proceeds from Land Lease receivables shall be deposited, which account shall require the signatures of both the President and Treasurer on approved resolutions passed in accordance with Section 4 below in order to draw funds therefrom.
2. That all future receipts from payments of unit owners on their land leases are to be deposited in said account.
3. That the existing Land Lease checking account at Windsor Federal Savings Bank shall be closed and the all of the funds in said account shall be deposited in the new Special Fund.
4. That disbursements from said Special Fund shall be administered as follows:
 - a. Proposals for specific capital reserve expenditures shall be submitted in writing to both the Board and to the Association Board of Governors. Alternatively, Pond Place Tax District Board members and Pond Place Association Board members may present proposals for specific capital reserve expenditures at Pond Place Tax District and Pond Place Association monthly meetings.
 - b. Notice of any such specific proposals shall be given in the same manner as notices of Annual or Special Meetings of the unit owners as set forth in the By-laws of the Association, and shall include the date, time and location of the meeting at which any such proposal will be considered by the Board and Association Board of Governors. At such meeting unit owners will be entitled to comment on any such proposals.
 - c. The approval of any such proposals shall require the affirmative vote of five Pond Place Association Board of Governors and six Pond Place Tax District Board of Directors, after the meeting at which the comments of unit owners are received.
5. That the Board may engage professional advisors and professionals to assist it in investing and managing all or a portion of the Special Fund to provide for a reasonable, low-risk return on said Fund. The engagement, dismissal and/or replacement of such advisors, shall require the affirmative vote of a majority of the Board.

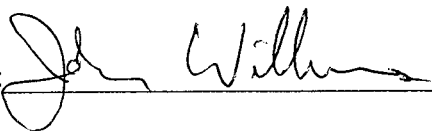
6. That, notwithstanding any other provisions of the Ordinance, amending this Administrative Resolution shall require the affirmative vote of five Pond Place Association Board of Governors and six Pond Place Tax District Board of Directors.

7. Notwithstanding Paragraph 1, above,, reasonable withdrawals from said Special Fund may be made on the signature of both the President and Treasurer without further resolution to pay reasonable management fees to collect Land Lease payments and for accounting services necessary for proper management of said fund.

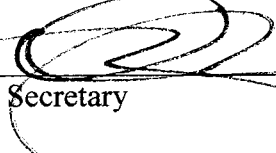
Quorums being present, the foregoing Resolution was adopted by the Board of Directors of the Pond Place Tax District and the Board of Governors of the Pond Place Association, Inc. unanimously on January 23, 2017..

Dated: January 23, 2017.

POND PLACE TAX DISTRICT

By: 
It's Clerk

POND PLACE ASSOCIATION, INC.

By: 
It's Secretary