

RESOLUTION NO. 2009 - 05

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ARBORS HOMEOWNERS
ASSOCIATION DESIGNATING A RESERVE FUND AND ESTABLISHING THE USES FOR FUNDS
DEPOSITED THEREIN

WHEREAS, on April 19, 1983, the Developer of the Arbors, a planned unit development situate on Duncan Avenue in Hampton Township, adopted and subsequently recorded a "Declaration of Covenants, Conditions and Restrictions" (The "Covenants") applicable to all lot property owners in the Arbors; and

WHEREAS, the Covenants provide that an Arbors Homeowners Association (the "Association") will be incorporated to exercise the functions set forth in the Covenants; and

WHEREAS, Article IV, Section 10, of the Covenants provides that the Association may establish and maintain a reserve fund for replacement of any part of the Common Property and facilities or repair or maintenance of the Common Property and Common Areas as the Board deems appropriate; and

WHEREAS, a reserve fund has been created by a previous Board of Directors; and

WHEREAS, the current Board of Directors desires to clarify the historical uses for funds deposited in said fund.

NOW, THEREFORE, BE AND IT HEREBY IS RESOLVED as follows:

1. The existing reserve fund, at times referred to as the Capital Reserve Fund and/or the Reserve Replacement Fund, shall hereinafter be known as the Reserve Fund. This resolution is a name change only and does not create any change to fund status or its ongoing operations.
2. The funds in the Reserve Fund may be used for projects meeting the following criteria including, but not limited to, paving and landscaping projects:
 - a. Are included in the approved Long-Range Plan.
 - b. Have a cost of not less than \$500.
 - c. Have an anticipated life of not less than 5 years. In instances where some components of a project may have a life of less than 5 years, the entire project may be funded from the Reserve Fund if at least 60% of the total cost of the project relates to components having a life of at least 5 years as determined by the Grounds Committee.
3. The Reserve Fund shall not be used for ordinary maintenance or to subsidize the Operating Fund other than borrowing due to short-term cash flow situations. It may, however, be used for operating contingencies of a non-recurring nature as stipulated in Article IV, Section 10, of the Covenants. It may also be used to make any other payments as permitted by the Covenants including, but not limited to, payment of income taxes to the U.S. Treasury as reflected in the annual Association income tax return.

IN WITNESS WHEREOF, WE, the Board of Directors of the Arbors Homeowners Association, have adopted the foregoing Resolution at the regular meeting of the Board of Directors convened this 10th day of August, 2009.

ARBORS HOMEOWNERS ASSOCIATION

/s/ Kevin J. Fay
President

ATTEST

/s/ Mary Lou Zemaitis
Secretary