

FAIRFIELD MOUNTAINS PROPERTY OWNERS ASSOCIATION, INC.

RESOLUTION OF THE BOARD OF DIRECTORS

POLICY FOR ACCEPTING PROPERTY FROM MEMBERS

Adopted February 5, 2001
Amended November 24th, 2003
Amended August 15, 2005

The following resolution has been adopted by the Fairfield Mountains Property Owners Association, Inc., Board of Directors pursuant to the powers bestowed on the Board of Directors of the Association as outlined and stated in the Declaration of Covenants and Restrictions dated and recorded July 14, 1977, and as amended.

RECITALS

Under certain conditions, the Board of Directors may accept the legal ownership of property that is being turned over to the POA by a member.

It is further agreed by the Board of Directors that the POA is under no obligation to accept ownership of property being offered by a member.

NOW, THEREFORE, BE IT RESOLVED that the ASSOCIATION does hereby adopt the following procedures and policies as the evaluation process used to determine whether the property may be accepted by the POA.

1. The property owner(s) wishing to terminate their ownership and deed their property to the POA must contact the POA General Manager, or his designee.
2. A copy of the deed must be obtained to validate ownership.
3. The property's status, whether buildable or not, must be verified.
4. Proof must be provided that all dues and fees are current.
5. Proof must be provided that all taxes are current.
6. The Property must be lien free.
7. The Owner(s) wishing to transfer ownership must have a Title Search and General Warranty Transfer Deed prepared.
8. All documents must be submitted to the General Manager's, or his designee's, office.
9. Once management has verified that all of the above criteria have been met, the Board of Directors authorizes the Chief Executive or his designee to execute the agreement.
9. If accepted, the Owner(s) must record the Deed at the applicable government office and proof must be submitted to the General Manager's, or his designee's office to complete the property transfer.

Fees will continue to accrue until the process is complete (when the deed is recorded transferring the property to the POA). The transfer of the property must be "without cost" to the POA. All costs and fees are to be the sole responsibility of the property owner(s).

Properties that do not meet the above criteria will be reviewed by the management on a case-by-case basis and may be submitted to the Board for consideration.

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Adopted October 21, 2002

From time to time, The Fairfield Mountains Property Owners Association's (the "Association") management may accept title to lots in the Association's name, which may be "buildable" or "non-buildable", from property owners, according to the 'Policy For Accepting Property From Members'. It is this policy of the Association, that property is only accepted in the Association's name after a thorough evaluation of the circumstances surrounding the transaction, and as a last option.

Generally Accepted Accounting Principals states that "in-substance foreclosed", or property which has otherwise been titled to the Association, in settlement of an obligation, be recorded at the lower of cost, or market, less estimated sales cost. For economic reasons, the Association does not wish to expend funds necessary to engage a qualified real estate appraiser to determine market value of inventory.

Because of the scope limitation imposed by the Association on the extent of testing by the certified public accountant, the Board will accept a qualified opinion for the real estate policy. In addition, the real estate received from the property owners will not be recorded in the Association's financial statements, and will include adequate footnote disclosure.
