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**RESOLUTION PROPOSAL**

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**DATE:** March 25, 2010 / April 22, 2010 / May 22, 2010 / June 24, 2010

**SUBJECT:** Lake Reserve Account

**SPONSOR:** Treas. Harrison

**BACKGROUND INFORMATION:**

An account for Lake Reserves is needed and a corporate account with Morgan Stanley/Smith Barney is recommended. The resolutions listed below are part of the Corporate Resolutions for Corporate Account application which must be signed by officers of the Association. The Account will be opened with \$30,139.03 from depreciation on lake equipment. The Board is requested to authorize the opening of this account.

**RESOLVED**

**FIRST**, that the individuals named in the spaces below ("Authorized Person") be and each of them hereby is, authorized and empowered to the fullest extent possible, to act on behalf of the Corporation, to establish and maintain a cash account, margin account, Business Financial Management Account<sup>SM</sup> ("BUSINESS FMA"), commodities account or other account deemed necessary, proper or appropriate (each, a "Securities Account") with Morgan Stanley Smith Barney and its applicable affiliates ("SB") for the purpose of purchasing, investing in, or otherwise acquiring, selling (including short selling), possessing, transferring, exchanging, borrowing, pledging or otherwise disposing of and generally dealing in and with cash and any and all forms of securities, including, but not limited to shares, stocks, bonds, debentures, notes scrip, participation certificates, rights to subscribe, options, warrants, commodities, commodity futures and/or options on futures, certificates of deposit, mortgages, evidences of indebtedness, commercial paper, and interests of any and every kind and nature whatsoever, secured an unsecured, whether represented by trust, participating and/or other certificates or otherwise.

**SECOND**, that, on behalf of the Corporation, any Authorized Person shall have the fullest authority with respect to the Securities Account including, but not limited to, authority to

- 1) give written or oral instructions to SB with respect to any securities in, or transaction or service offered in connection with, the Securities Account,
- 2) deposit money, securities and other property of the Corporation in the Securities Account,
- 3) borrow money from SB and secure payment thereof with the property of the Corporation,
- 4) bind the Corporation to any contract, arrangement or transaction, which shall be entered into by any Authorized Person with or through SB,
- 5) make payments related to the Securities Account by checks and/or drafts drawn upon the funds of the Corporation]
- 6) deliver money or securities or accept delivery of money or securities,
- 7) endorse any securities in order to pass ownership thereof or for any other purpose,
- 8) direct the sale or exercise of any rights with respect to securities therein,
- 9) sign releases and powers of attorney and enter into contracts and agreements, including, but not limited to an SB Client Agreement, BUSINESS FMA Agreement, and documentation relating to any debit or credit card, the check writing privilege, online services, electronic fund transfers and other services which are or may be offered in connection with the Securities Account, as such documents may be

- modified from time to time, and any documentation permitted or contemplated by such agreements, products and services, and to affix the corporate seal to same,
- 10) direct SB to surrender securities to the proper agent or party for the purpose of effecting any exchange or conversion, or otherwise,
  - 11) take any and all action in connection with the Securities Account deemed necessary or desirable by any Authorized Person.

**THIRD**, that any Authorized Person may appoint any person(s) (Designated Person”) to 1) conduct trading in the Securities Account, 2) endorse any securities, or to make, execute and deliver, under the corporate seal of the Corporation or otherwise, any instrument of assignment and/or transfer necessary or proper to pass title to such securities, 3) sign checks (in which event, the signature of the Designated Person shall promptly be provided on any applicable signature card upon request by SB), 4) use any associated debit or credit card or 5) provide instructions to effect electronic fund transfers.

**FOURTH**, that each Authorized Person is empowered and authorized to do all things each deems necessary or desirable to implement the foregoing resolutions.

**FIFTH**, that SB may deal with any and all of the persons directly or indirectly empowered by the foregoing resolutions as though they are dealing with the Corporation directly.

**SIXTH** that the Secretary of the Corporation is hereby authorized and empowered to certify to SB, under the seal of the Corporation or otherwise:

- (a) a true, correct and complete copy of these resolutions;
- (b) specimen signatures of each Authorized Person and each Designated Person empowered by these resolutions, if so requested by SB;
- (c) a certificate (which, if required by SB, shall be supported by an opinion of the general counsel of the Corporation, or other counsel satisfactory to SB) that the Corporation is duly organized and in good standing, that the corporate charter authorizes the action or business described in these resolutions, and that no provision in the charter, by-laws or other governing document of the Corporation limits the power of the Board of Directors to pass these resolutions.

**SEVENTH**, that the fact that any person hereby empowered ceases to be an officer of the Corporation or becomes an officer under another title, shall not affect the powers hereby conferred. In the event of any change in the office or powers of persons hereby empowered, the Secretary shall certify such changes to SB in writing, addressed to the branch or other representative office through which the Securities Account is opened. Such notification, when received, shall terminate the powers theretofore authorized, and empower the persons thereby substituted.

**EIGHTH**, that SB may rely upon any certification furnished to SB in accordance with these resolutions and that the foregoing resolutions and the certificates furnished to SB are in full force and effect and irrevocable until receipt by SB of written notice of revocation or modification by the Corporation, addressed to the branch or other representative office through which the Securities Account is opened. The dispatch or receipt of any other form of notice shall not constitute a waiver of this provision.

**STAFF RECOMMENDATION:** Concur

**PROPOSED FINANCIAL IMPACT:** none

**PROPOSED SOURCE OF FUNDING:** none

**STRATEGIC PLAN REFERENCE:**

4.1 Prudently manage the Association's finances and reserves

**POSSIBLE MOTIONS:****Option 1:**

Move that the Board of Directors authorize the President and General Manager to open a Lake Reserve Account with Morgan Stanley/Smith Barney.

**Option 2:**

Move that the Board of Directors authorize the President and General Manager to open a Lake Reserve Account with Morgan Stanley/Smith Barney and approve the resolutions as they appear on the Morgan Stanly/Smith Barney "Corporate Resolutions for Corporate Accounts".

**Option 3:**

Move that the Board of Directors authorize the President and General Manager to open a Lake Reserve Account with Morgan Stanley/Smith Barney including the resolutions as listed on the application.

**Option 4:**

Move that the Board of Directors authorize the President and General Manager to open a Lake Reserve account with Morgan Stanley/Smith Barney with the following resolutions:

**FIRST**, that the individuals named in the spaces below ("Authorized Person") be and each of them hereby is, authorized and empowered to the fullest extent possible, to act on behalf of the Corporation, to establish and maintain a cash account, margin account, Business Financial Management Account<sup>SM</sup> ("BUSINESS FMA"), commodities account or other account deemed necessary, proper or appropriate (each, a "Securities Account") with Morgan Stanley Smith Barney and its applicable affiliates ("SB") for the purpose of purchasing, investing in, or otherwise acquiring, selling (including short selling), possessing, transferring, exchanging, borrowing, pledging or otherwise disposing of and generally dealing in and with cash and any and all forms of securities, including, but not limited to shares, stocks, bonds, debentures, notes scrip, participation certificates, rights to subscribe, options, warrants, commodities, commodity futures and/or options on futures, certificates of deposit, mortgages, evidences of indebtedness, commercial paper, and interests of any and every kind and nature whatsoever, secured an unsecured, whether represented by trust, participating and/or other certificates or otherwise.

**SECOND**, that, on behalf of the Corporation, any Authorized Person shall have the fullest authority with respect to the Securities Account including, but not limited to, authority to

- 1) give written or oral instructions to SB with respect to any securities in, or transaction or service offered in connection with, the Securities Account,
- 2) deposit money, securities and other property of the Corporation in the Securities Account,
- 3) borrow money from SB and secure payment thereof with the property of the Corporation,
- 4) bind the Corporation to any contract, arrangement or transaction, which shall be entered into by any Authorized Person with or through SB,
- 5) make payments related to the Securities Account by checks and/or drafts drawn upon the funds of the Corporation]
- 6) deliver money or securities or accept delivery of money or securities,
- 7) endorse any securities in order to pass ownership thereof or for any other purpose,
- 8) direct the sale or exercise of any rights with respect to securities therein,

- 9) sign releases and powers of attorney and enter into contracts and agreements, including, but not limited to an SB Client Agreement, BUSINESS FMA Agreement, and documentation relating to any debit or credit card, the check writing privilege, online services, electronic fund transfers and other services which are or may be offered in connection with the Securities Account, as such documents may be modified from time to time, and any documentation permitted or contemplated by such agreements, products and services, and to affix the corporate seal to same,
- 10) direct SB to surrender securities to the proper agent or party for the purpose of effecting any exchange or conversion, or otherwise,
- 11) take any and all action in connection with the Securities Account deemed necessary or desirable by any Authorized Person.

**THIRD**, that any Authorized Person may appoint any person(s) (Designated Person”) to 1) conduct trading in the Securities Account, 2) endorse any securities, or to make, execute and deliver, under the corporate seal of the Corporation or otherwise, any instrument of assignment and/or transfer necessary or proper to pass title to such securities, 3) sign checks (in which event, the signature of the Designated Person shall promptly be provided on any applicable signature card upon request by SB), 4) use any associated debit or credit card or 5) provide instructions to effect electronic fund transfers.

**FOURTH**, that each Authorized Person is empowered and authorized to do all things each deems necessary or desirable to implement the foregoing resolutions.

**FIFTH**, that SB may deal with any and all of the persons directly or indirectly empowered by the foregoing resolutions as though they are dealing with the Corporation directly.

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- (a) a true, correct and complete copy of these resolutions;
- (b) specimen signatures of each Authorized Person and each Designated Person empowered by these resolutions, if so requested by SB;
- (c) a certificate (which, if required by SB, shall be supported by an opinion of the general counsel of the Corporation, or other counsel satisfactory to SB) that the Corporation is duly organized and in good standing, that the corporate charter authorizes the action or business described in these resolutions, and that no provision in the charter, by-laws or other governing document of the Corporation limits the power of the Board of Directors to pass these resolutions.

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**EIGHTH**, that SB may rely upon any certification furnished to SB in accordance with these resolutions and that the foregoing resolutions and the certificates furnished to SB are in full force and effect and irrevocable until receipt by SB of written notice of revocation or modification by the Corporation, addressed to the branch or other representative office through which the Securities Account is opened. The dispatch or receipt of any other form of notice shall not constitute a waiver of this provision.

**PERSON RESPONSIBLE FOR FOLLOW-UP:** Treasurer and Business Manager