

MUIR WOODS HOMEOWNERS ASSOCIATION

RESOLUTION 1: Resolution regarding "Emergency/Replacement Reserve Funds".

Whereas the Muir Woods Board of Directors are charged with planning for the immediate and long-term maintenance of the Muir Woods common areas, and

Whereas the Muir Woods Board of Directors has put into place an assessment structure to allow for both annual operations of the Association and future repairs of common properties, and

Whereas the Muir Woods Board of Directors with the approval of the Architectural Control Committee, at a Special Meeting of the Homeowners on October 27, 2003, did increase the homeowners annual assessments for the purpose of:

1. Meeting the annual needs of the Association,
2. Establishing an Emergency/Replacement Reserve Fund for future replacement of:
 - a. asphalt surfaces
 - b. fencing (both wood & wrought iron)
 - c. picnic tables & benches
 - d. unforeseen major emergencies,
3. Avoiding the need for special assessments in the future, and

Whereas Advantage Association Professions did conduct a Reserve Analysis in 2003 and determined that the Emergency/Replacement Reserve Fund needed to be funded at an annual rate of \$5,800 and

Whereas the Board authorized a review of the Reserve Analysis in 2005 and this review determined that the Emergency/Replacement Reserve Fund needed to be funded at an annual rate of \$6,000 (review analysis attached) and

Whereas, the Emergency/Replacement Reserve Fund is currently recorded as **\$31,749.36** and Retained Earnings is currently recorded as **\$13,716.67** as of 12/31/2005

The Muir Woods Homeowners Association hereby resolves that:

- A. Based upon the 2005 analysis (see attached), the balance of funds allocated to the Emergency/Replacement Reserve Fund should be set at **\$33,154** beginning January 1, 2006.
- B. The Emergency/Replacement Reserve Fund shall be funded at the rate of \$6000 annually, with all earned interest accruing to the fund.
- C. A 25 year Emergency/Replacement Reserve Fund analysis is to be authorized by the Board at a minimum of once every 5 years and the funding rate may be adjusted as the findings dictate with a simple majority of homeowners voting.
- D. The Emergency/Replacement Reserve Fund be used for the repair and replacement of common properties as listed in Item 2 above plus coverage of any unforeseen shortfall in revenue in any fiscal year.
- E. A **2/3rds vote of ALL homeowners** shall be required to spend any Emergency/Replacement Reserve Fund for other than that specified in Item D above.

BE IT RESOLVED AS FOLLOWS:

- A. I **affirm** the adoption of the above resolution.
- B. I **reject** the adoption of the above resolution.

OR

RESOLUTION PASSED

To adopt the above resolution for funding of the Emergency/Reserve Fund.

MUIR WOODS ANNUAL MEETING

April 22, 2006