

RESOLUTION NO. 2009 - 03

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ARBORS HOMEOWNERS ASSOCIATION AUTHORIZING THE FORGIVENESS OF \$16,059 BORROWED BY THE OPERATING FUND FROM THE RESERVE FUND IN 2008 TO COVER EXTRAORDINARY EXPENDITURES OF A NON-RECURRING NATURE.

WHEREAS, Article IV, Section 10 of the Arbors Declaration of Covenants, Conditions and Restrictions stipulates that "The reserve shall be kept in an interest bearing account and shall only be expended for the purpose of effecting the replacement of Common Property or community facilities and for operating contingencies of a non-recurring nature."; and

WHEREAS, in 2008 operating expenditures exceeded revenues by \$16,059 necessitating borrowing of monies from the Reserve Fund to cover expenses; and

WHEREAS, said shortfall can be attributed primarily to expenditures for salting and snow removal exceeding budget by \$12,485 and for repairs to the irrigation system exceeding budget by \$4,605; and

WHEREAS, after a thorough review of the circumstances surrounding the aforesaid expenditures the Arbors Finance Committee and the Board of Directors have concluded that these expenditures were extraordinary expenditures of a non-recurring nature; and

WHEREAS, it has been determined that the funds in the Reserve Fund will be sufficient to meet the anticipated expenditures through 2013 and will at all times exceed the required minimum balance without the need for a special assessment or for the repayment of the funds advanced in 2008 to cover the extraordinary expenditures of a non-recurring nature; and

WHEREAS, the Arbors Finance Committee met on July 27, 2009 and unanimously recommended that the Board of Directors forgive the funds loaned by the Reserve Fund to the Operating Fund in 2008 to cover said extraordinary expenditures of a non-recurring nature; and

WHEREAS, the Board of Directors of the Arbors Homeowners Association desires to forgive the funds loaned by the Reserve Fund to the Operating Fund in 2008 to cover the extraordinary expenditures of a non-recurring nature.

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

Based on the forgoing preambles, the Board of Directors of the Arbors Homeowners Association has determined that the sum of \$16,059 loaned from the Reserve Fund to the Operating Fund to pay for extraordinary expenditures of a non-recurring nature shall be forgiven and need not be repaid and directs that Arnheim & Neely reduce the balance owed the Reserve Fund by the Operating Fund accordingly.

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