

RESOLUTION NO. 2011 - 02

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ARBORS HOMEOWNERS ASSOCIATION INTERPRETING AN AMENDMENT TO THE HOMEOWNERS ASSOCIATION COVENANTS APPROVED IN 2005 AS GIVING THE BOARD OF DIRECTORS DISCRETION IN TRANSFERRING YEAR-END SURPLUSES IN THE OPERATING FUND TO THE RESERVE FUND

WHEREAS, prior to 2005 the Covenants required that any year-end Operating Fund surplus be refunded to the property owners through a credit applied to their monthly assessment; and

WHEREAS, at the 2005 Annual Meeting held December 4, 2005 an amendment to the Covenants was voted on and approved by the membership. The minutes of that meeting appear to indicate that the transfer is optional as they indicate that a motion was made to “approve the amendment to permit the Board of Directors to apply any surplus from the operating fund to the capital reserve fund”; and

WHEREAS, the amendment that was recorded in the Allegheny County Recorder of Deeds Office also appears to indicate that such transfers to the Reserve Fund are optional at the Board’s discretion as it reads as follows: “In the event of a year-end surplus, i.e., where actual expenses are less than actual revenues for the year, then such surplus shall in the sole judgment and discretion of the Arbors Board of Directors be deposited in the capital reserve account of the Association”; and

WHEREAS, the current Board of Directors has contacted the representative of the management company who attended the Annual Meeting as well as several former Board members who recall the drafting and approval of the amendment that was approved at the 2005 Annual Meeting; and

WHEREAS, a majority of those contacted are of the opinion that the intent of the amendment enacted in 2005 was to give the Board of Directors flexibility in transferring any year-end surplus from the Operating Fund to the Reserve Fund; and

WHEREAS, the Board of Directors wishes to memorialize the policy with respect to the disposition of any year-end surplus in the Operating Fund.

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

The Board has determined that the amendment to the Covenants adopted at the 2005 Annual Meeting was intended to give the Board of Directors discretion in the disposition of any year-end surplus in the Operating Fund and that the Board of Directors has the discretion of transferring all, some or none of any such surplus to the Reserve Fund.

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 14th day of March, 2011.

ARBORS HOMEOWNERS ASSOCIATION

/s/ William B. Gordon
President

ATTEST

/s/ Mary Lou Zemaitis
Secretary