

**WATERGATE AT LANDMARK CONDOMINIUM  
UNIT OWNERS ASSOCIATION**

**ADMINISTRATIVE RESOLUTION NO. 101**

**CAPITAL REPLACEMENT RESERVE FUND EXPENDITURES  
POLICIES AND PROCEDURES**

**August 26, 1997  
(Readopted)**

**WHEREAS**, experience has shown that there will undoubtedly be reasons for large capital replacement expenditures that the most astute planners and the best of plans cannot foresee; that the already anticipated demands on the Replacement Reserve Fund are extremely heavy; and that there are recognized obstacles to levying special assessments or increasing contributions to the Reserve Fund beyond what is now projected in the 5-year Capital Reserve Replacement Schedule, the Watergate at Landmark Association Board of Directors has determined that the following policy criteria and guidelines should be used by the Budget and Finance Committees in establishing the 5-year Capital Reserve Replacement Schedule and in recommending expenditures from the Replacement Reserve Fund:

**NOW, THEREFORE BE IT RESOLVED:**

1. **THAT**, the Financial and Budget Committees give top priority in preparing the Capital Replacement Reserve Schedule for the 5-year program to mechanical, electrical, and structural repairs and replacements and recommend deferral, if necessary, of items of a discretionary nature, or those which do not involve operating necessity, safety, or health factors; and
2. **THAT**, the Committees will apply the same criteria in recommending Board approvals of replacement reserve expenditures; and

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3. **THAT**, the Managing Agent will prepare a Capital Replacement Reserve Report projecting items and expenditures for the forthcoming 5 years and review this report with the Watergate at Landmark Management as a basis for determining which items are (a) certain to be or (b) likely to be needing replacement in the next immediate fiscal year, which joint determinations, together with appropriate supporting data, are to be submitted to the Finance Committee prior to commencement of the annual budget review to enable the Committee to prepare its recommendations to the Budget Committee; and
  
4. **THAT**, even though the 5-year Replacement Reserve Schedule is only a plan, the first year as adopted by the Board should be considered for all practical purposes a proposed program and any deviations from the program which would significantly affect adversely the projected reserve balance for the end of that fiscal year should be referred to the Finance Committee to provide recommended adjustments that may be made to minimize or avoid depletion of projected end of year reserves by spreading or deferring other expenditures; and
  
5. **THAT**, no addition or revision in the first year of the 5-year plan which has been adopted as part of the authorized annual budget document shall be made without a written recommendation by the Watergate at Landmark Managing Agent having been submitted to, and given consideration by, the Finance Committee and approval by the Board; and
  
6. **THAT**, no expenditure from the Reserve Fund will be recommended unless it is consistent with Board Administrative Resolutions Nos. 55 and 56, and these Resolutions should not be interpreted or implemented in such a way as to allow for Reserve Fund expenditures on regular maintenance, studies, design, or consulting costs unless such latter costs, within a period of two years, become a part of the total contract replacement or rehabilitation costs.

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Motion by Snyder, Supported by Lert

YEA	MEMBER	NAY	
<u>X</u>	Derrick	<u>          </u>	<u>X</u> Motion declared adopted
<u>X</u>	Lert	<u>          </u>	<u>          </u> Motion declared failed
<u>X</u>	Marcin	<u>          </u>	
<u>X</u>	Pearson	<u>          </u>	
<u>          </u>	Piper	<u>Absent</u>	
<u>X</u>	Snyder	<u>          </u>	
<u>          </u>	Tesler	<u>Absent</u>	
<u>          </u>	Wilkins	<u>Abstain</u>	
<u>          </u>	Yale	<u>          </u>	

*Dorothy Boyd*  
Attested