

**WATERGATE AT LANDMARK CONDOMINIUM
UNIT OWNERS ASSOCIATION**

ADMINISTRATIVE RESOLUTION NO. 128

SCHEDULE OF RESERVES FOR REPLACEMENTS AND REPAIR FY 1997

**August 27, 1996
(Adopted)**

WHEREAS, Section 55-79.79 of the Condominium Act, as amended, charges the Association with "all powers and responsibilities with regard to maintenance, repair, renovation, restoration and replacement" of the common elements; and

WHEREAS, the Board wishes to segregate the reserves for replacements from the other required reserves, and in so doing, establish a schedule of replacement reserves to forecast the long term capital replacement and repair requirements of the Condominium;

NOW THEREFORE BE IT RESOLVED THAT:

1. That attached Schedule of Reserves for Replacement and Repair, which has been reviewed by a professional engineer under the AICPA Guidelines, is adopted for Fiscal Year 1997.
2. Owners are hereby advised that \$800,000 of the annual assessments and the interest thereof shall be a contribution to the capital of the Condominium.
3. The Secretary will send a copy of the Schedule of Reserves to all first mortgagees who request a copy.

Motion by Lert, Supported by Hufstedler

| YEA | MEMBER | NAY | |
|-------------------|------------|-------------------|--|
| <u> </u> | Berenbaum | <u> X </u> | <u> X </u> Motion declared adopted |
| <u> </u> | Coleman | <u> X </u> | |
| <u> X </u> | Derrick | <u> </u> | <u> </u> Motion declared failed |
| <u> X </u> | Hufstedler | <u> </u> | |
| <u> X </u> | Lert | <u> </u> | |
| <u> </u> | Piper | <u> </u> | |
| <u> X </u> | Snyder | <u> X </u> | |
| <u> X </u> | Treger | <u> </u> | |
| <u> X </u> | Yale | <u> </u> | |

Sheila A. Foote

Attested

REPLACEMENT RESERVE

| | ACTUAL 1995 | BUDGET 1996 | PROJ ACT 1996 | BUDGET 1997 |
|--------------------------|----------------|----------------|------------------|----------------|
| 6909 Replacement Reserve | 800,000 | 800,000 | 800,000 | 800,000 |

The following lists estimated reserve expenditures anticipated to take place during FY 1997 by Mr. Ben Ginnetti, CMC's professional engineer, Management and the Budget Committee. If the proposed figure changes, then the Income Interest and Interest to Reserve figures will also change.

| <u>Expenditure</u> | <u>Projected \$ Amount</u> |
|---|----------------------------|
| 6917 Roofs (10K/Building) | 40,000 |
| 6920 Paving - Asphalt/Concrete | 20,000 |
| 6939 Windows/Patio Doors | 32,000 |
| 6936 Whitecoating - Indoor Pool | 34,000 |
| 6939 Facade/Waterproofing/Tuckpointing | 36,000 |
| 6939 Thermal Pane Windows/Doors Bldgs 1 & 2 (frame & window) Feasibility Study Consultant Fee | 15,000 |
| 6939 Keystone Wall Extension (Bldg 3 to Entrance of Bldg. 4 Parking Garage) | 10,000 |
| 6939 Civil Engineer Fee for Tennis Courts Apron/French Drain | 5,000 |
| 6939 Office Automation Consultant Fee and Purchase | 40,000 |
| 6939 Lever handles for doors | 15,000 |
| 6939 Enclosures for snow materials | 12,000 |
| 6942 Site Lighting | 20,000 |
| 6942 Balcony Consultant | 30,000 |
| 6942 Pool Furniture | 20,000 |

Watergate at Landmark
 Summary of Proposed Reserve Fund Expenditures and Revenue Support Stream
 Fiscal Year 1996 Through Fiscal Year 2001

25 Jul 96

| | Contribution From Operating Fund Surplus | Annual Reserve Fund Contribution | Telephone/Gas Conversion Contribution | Interest on Reserve Fund Investments | Total Income | Estimates of Possible Reserve Fund Expenditures | Reserve Fund Balance (EOY) |
|----------------------------------|--|----------------------------------|---------------------------------------|--------------------------------------|--------------------|---|----------------------------|
| FY 92 | 0 | 800,000 | 72,755 ^b | 108,955 | 981,710 | (909,606) | \$2,131,433 ^b |
| FY 93 | 0 | 800,000 | 0 | 91,870 | 891,870 | (200,335) | \$2,822,988 ^b |
| FY 94 | 0 | 800,000 | 0 | 143,997 | 943,997 | (688,270) | \$3,077,695 ^b |
| FY 95 | 0 | 800,000 | (572,165) ^c | 207,847 | 435,682 | (748,236) | \$2,765,141 ^b |
| FY 96 | 0 | 800,000 | 200,000 ^d | 203,000 | 1,203,000 | (553,000) | \$3,415,141 |
| FY 97 | 0 | 800,000 | 372,622 ^d | 233,228 | 1,405,850 | (1,376,000) | \$3,444,991 |
| FY 98 | 0 | 900,000 | 0 | 200,000 | 1,100,000 | (1,224,000) | \$3,320,991 |
| FY 99 | 0 | 1,000,000 | 0 | 200,000 | 1,200,000 | (695,000) | \$3,825,991 |
| FY 00 | 0 | 1,000,000 | 0 | 0 | 1,200,000 | (387,500) | \$4,628,491 |
| FY 01 | 0 | 1,000,000 | 0 | 200,000 | 1,200,000 | (455,000) | \$5,373,491 |
| 6YR TOTAL (FY 96 - FY 01) | \$0 | \$5,500,000 | \$572,622 | \$1,236,228 | \$7,308,850 | (\$4,700,500) | |

- a Tax and accounting factors require contributions and expenses relating to purchase of the new telephone system to be handled through the Operating Budget with annual adjustments by the auditors (see Notes 11 and 12, FY 1990 Annual Report)
- b Balances agree with auditor's report
- c Gas Conversion \$654,165 transfer to operating expense and \$82,000 transfer into reserves from Account 6909
- d Gas Conversion pay back \$200,000 - FY 96 and \$372,622 - FY 97