

**FORRESTAL VILLAGE COMMUNITY SERVICES ASSOCIATION, INC.**  
**POLICY RESOLUTION NO. 51**  
**Long Term Reserve Funding Goals**

**WHEREAS**, the Board of Directors has all powers for conduct of the affairs of the Association, which is a non-profit corporation organized and existing under the law of New Jersey and is charged with the duties and vested with the powers prescribed by law and set forth in the Governing Documents; and

**WHEREAS**, the Association is required to budget for adequate reserves for repair and replacement of the common elements and facilities; and

**WHEREAS**, Article VIII, Section 3 of the Association's By-Laws permits each Parcel committee to advise the Board of Directors on the proposed budget for maintaining and operating the parcel common areas; and

**WHEREAS**, Article V, Section 4 (c) of the Forrestal Village Declaration of Covenants and Restrictions provides that the Board of Directors shall fix the Annual General and Parcel Assessments; and

**WHEREAS**, the Management Standards Agreement date June 27, 2000 requires that the annual contribution to the Capital Replacement Reserve must be sufficient to assure that the Capital Replacement and Repair Fund (Capital Fund) balance remains at or above a minimum threshold amount established by the Board from time to time; and

**WHEREAS**, after receipt of advice from its counsel, auditor, engineer and managing agent, the Board of Directors has determined that it is necessary to increase the yearly contribution to the Capital Fund; and

**WHEREAS** it is the goal of the Association to fully fund all capital projects with funds from the Parcel's or other appropriate cost center's Capital Fund;; however it is recognized that such full funding cannot always be established without undue hardship;

**WHEREAS**, the Board adopted Policy Resolution No. 51 relating to the Long-term Funding Goals on November 26, 1998; and

**WHEREAS**, the Board adopted the First Amendment Policy Resolution No. 51 on December 1, 2009;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors that Policy Resolution No. 51 and First Amendment Policy Resolution No. 51 are rescinded and replaced with this new Policy Resolution No. 51 with respect to the funding goals that govern minimum balances and contributions to the Capital Fund for all parcels:

1. A replacement reserve analysis by a consultant qualified to perform a replacement reserve study shall be performed for each Cost Center which includes Parcels 1 through XII, the Smith House, Smith House Pool and Common areas on a periodic basis, but no less frequently than once every five years. For purposes of this paragraph, a person who holds an "RS" designation from the Community Associations Institute (or equivalent) shall be

considered a qualified consultant. The amount of replacement reserves for a given cost center shall be based upon this analysis.

The minimum annual contribution to a cost center's Capital Fund shall be an amount equal to 50% of the annual funding required by the "5% Threshold Fund Projection" as determined by the most recent Replacement Reserve Study. For purposes of establishing a base, the study performed by The Falcon Group in 2008 will be utilized until the next study is performed.

2. Cost Centers whose Capital Fund is significantly under funded (i.e. the Fund balance contains less than 25% of the amount set forth in the latest engineering reserve study) shall reserve on a basis of a minimum of 60% of the of the annual funding required by the "5% Threshold Fund Projection".

3. When a Cost Center has completed a capital project on a timetable that differs from that proscribed in the most recent replacement analysis, the future funding requirement should be recalculated by removing the improved item, recalculating the cost and adjust the funding accordingly.

4. Absent an emergency, a minimum amount of \$500 per unit is required to be maintained by each parcel and a minimum of \$10,000 for the Smith House, \$5,000 Smith House Pool and \$5,000 Common Area in their respective Capital Replacement Reserve accounts. The existence of an emergency shall be determined exclusively by the Association's Board of Directors.


5. Parcel capital projects may be funded with the monies in the Parcel's Capital Fund up to an amount that leaves a minimum of \$500 per unit in the Fund. Any monies required in excess of the amount available from the Capital Fund must be raised with a special assessment of all Parcel unit owners. The minimum of \$500 per unit must be maintained without regard to the 5% threshold established in the most recent Replacement Reserve Study.

**IN WITNESS WHEREOF**, the Forrestal Village Community Services Association Inc., has affixed its hand and seal the day and year first above written.

**Resolution Type: Policy Resolution**

**Regarding: Policy Resolution No. 51: Long Term Reserve Funding**

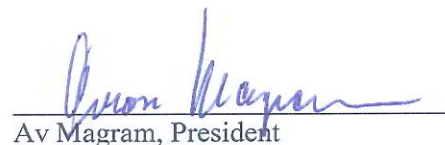
ATTEST:

  
Mary Ryan, Secretary

DATE: 8/14/2011

Yes       No       Abstain

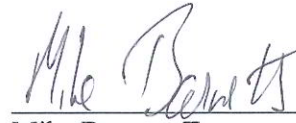
Yes       No       Abstain

  
Av Magram, President

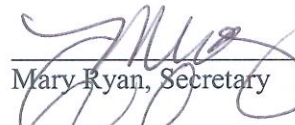
  
Mari Molenaar, Vice President



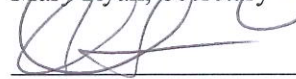
Yes     No     Abstain

  
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Mike Barnett, Treasurer

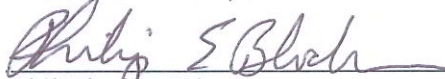
Yes     No     Abstain

  
\_\_\_\_\_  
Mary Ryan, Secretary

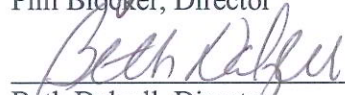
Yes     No     Abstain

  
\_\_\_\_\_  
Richard Ciarciello, Director

Yes     No     Abstain

  
\_\_\_\_\_  
Phil Blocker, Director

Yes     No     Abstain

  
\_\_\_\_\_  
Beth Dalzell, Director

Adopted at a Regular Meeting of the Board of Directors on July 26, 2011