

## Board Resolution

The 2020 – 2021 Board of Directors resolve the Emergency Fund will be evaluated on an annual basis to determine its adequacy for Unforeseen Emergencies and potential Capital Improvements Maintenance and Replacements. The Board will disclose all pertinent items it considered in its determination of adequacy to the owners. Further, the Board will use the adequacy analysis in determining the level of the annual assessment for each owner with regard to the emergency fund annual assessment. Further the Board will gain approval of the owners before proceeding with any expenditures from the “Capital Improvements” component of the reserve. The Unforeseen Emergency component will be set at a minimum of thirty percent (30%) of the proposed operating expense budget for the coming year. If the Board is compelled to spend funds from the “Unforeseen Emergencies” component the Board will notify the owners as soon as possible with details as to the circumstances. Further the Board resolves that any specific reserve that is not covered by the Emergency Fund have a specified time by which the funds must be used for that specific purpose or that the funds will be released to the Emergency Fund. This resolution replaces all previous Board Resolutions with regard to funds in the Money Market Account controlled by SVPOA and will be binding on future Boards until replaced by new resolution after being disclosed to the Owners at an Annual Meeting.