

Reflection Homes Association, Inc.  
Administrative Resolution 2000-8  
Maximum Annual Assessment

**WHEREAS**, Article VII, Section 1 of the By-laws of Reflection Homes Association (Association) charges the Board of Directors (Board) with the powers and duties of administration of the Association; and

**WHEREAS**, the Declaration of Covenants, Conditions and Restrictions empowers the Board to establish the amount of the annual assessments in the sole discretion of the Board, provided that the amount is below the maximum annual assessment established by the Declaration;

**WHEREAS**, the Declaration of Covenants, Conditions and Restrictions empowers the Board to increase the maximum annual assessment each year by a factor of not more than a percentage equal to the annual increase in the Cost-of-Living-Index ("CPI") for the Washington, D.C. metropolitan area for the previous year without a vote of the membership;

**WHEREAS**, at this time in the history of the Association, the amount of the annual assessment is now equal to the amount of the maximum annual assessment, thereby limiting the Board's flexibility with respect to its authority to establish the amount of the annual assessment;

**WHEREAS**, the Board desires to establish a policy of approving an automatic annual increase in the amount of the maximum annual assessment equal to the annual increase in the CPI for the Washington, D.C. metropolitan area in order to provide the Board with more flexibility when it establishes the amount of the annual assessment.

**NOW THEREFORE BE IT RESOLVED THAT** the maximum annual assessment shall automatically increase every March by a percentage equal to the annual increase in the CPI for the Washington, D.C., metropolitan area for the previous calendar year. Management shall record the increase in the Association's records and the increase and statement of total maximum annual assessments shall be entered into the minutes of the October Board meeting under the Treasurer's report.

The automatic increases in the maximum annual assessment shall occur without the necessity of any formal action on the part of the Board; however, the Board may vote any time not to allow the increase to go into effect or to set the increase at an amount lower than the CPI rate.

The automatic increases in the maximum annual assessment shall not apply to the process used by the Board to establish the amount of the annual assessment each owner of a lot is actually obligated to pay. The Board must affirmatively vote to approve an increase in the amount of the annual assessment.

*Location: This Administrative Resolution shall be filed in Section I, Board Responsibilities and Limitations, of the Book of Resolutions.*

The effective date of this resolution is **October 10, 2000**.