

**RESOLUTION
OF THE
SAXONY HOMEOWNERS ASSOCIATION, INC.**

- SUBJECT:** Adoption of a policy related to when the Association will have a reserve study prepared, whether there is a funding plan for the work recommended by the reserve study, and whether the reserve study will be based on a physical analysis and a financial analysis.
- PURPOSES:** To provide for the creation and review of a reserve study and for the funding of the work recommended by the reserve study.
- AUTHORITY:** The Declaration, Articles of Incorporation, and Bylaws of the Association and Colorado law.

**EFFECTIVE
DATE:**

11/13/2012

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. Initial Reserve Study. The Association has conducted an initial reserve study in October 1996 and updated said study in October 2012. The reserve studies included both a physical analysis and a financial analysis as follows:
 - A. The physical analysis included:
 - (1) A component inventory identifying those portions of the community the Association is obligated to maintain, including the useful life of each component.
 - (2) A condition assessment of each component on the component inventory by on-site inspection.
 - (3) Estimates of the remaining useful life and replacement costs of each component.
 - B. The financial analysis included:
 - (1) An analysis of the funds currently held in the Association's reserve fund in relation to the expected needs of the Association per the reserve study.
 - (2) A future funding plan to meet the requirements of the reserve study.

2. Update of the Reserve Study. Every three to five years following the adoption of this policy (as deemed appropriate by the Board) the Association shall cause the reserve study, including both the physical and financial analysis, to be evaluated to determine increases in replacement costs and decreases in remaining useful lives of the components of the reserve study to adequately address changes to be made to the reserve study. The update may be done either with or without a site visit. In determining whether a site visit is required in any given year in order to update the reserve study, the Association shall take into consideration the following:

A. Any special or extraordinary issues facing the community (such as an increase in roof leaks or other maintenance issues).

B. Increased deterioration in any components beyond normal wear and tear.

C. Economic changes that affect the replacement cost of any component.

D. Whether routine maintenance of the components has been kept up with.

3. Funding of the Reserve Fund. The reserve fund will be funded through regular assessments levied by the Association. The reserve fund shall be funded at a level such that the reserve fund shall at all time maintain a positive balance.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of the Association, certifies that the foregoing Resolution was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on Nov. 13, 2012, and in witness thereof, the undersigned has subscribed his/her name.

SAXONY HOMEOWNERS ASSOCIATION, INC.

By: Alan A. Brown
President