

KING CITY HIGHLANDS HOMEOWNERS ASSOCIATION, INC.

BOARD OF DIRECTORS RESOLUTION #2013-13 Revised March 2021 <sup>1</sup>

**SUBJECT: RESERVE FUND AND STUDY**

**PURPOSE:** To ensure the close coordination of the Association's reserve fund revenues, expenses, assets, and liabilities with the structure of the Association's Reserve Study.

**AUTHORITY:** The Declaration, Articles of Incorporation, Bylaws & CC&Rs of the Association, Oregon law, specifically ORS 94 Oregon planned Community Act, and ORS 65 Oregon Non-Profit Corporation, and Title VIII of the Civil Rights Act of 1968 (The Fair Housing act) as amended in 1995 (HOPA).

**Whereas,** Under Section 2 of Article IX of the Declaration, Article V of the Bylaws, and ORS 94.630, the Board of Directors has all of the powers and duties necessary for the administration of the affairs of the Association, except such powers and duties as by law, the Declaration or Bylaws as may not be delegated to the Board by the owners;

**Whereas,** ORS 94.595 specifies that the Association shall, on behalf of the Homeowner Association, establish a reserve account, conduct an initial reserve study, annually review the reserve study for the purpose of determining its funding requirements, and prepare a maintenance plan based on that review.

**Whereas,** ORS 94.630(1)(a) and Article V, Section 2(b), of the Bylaws empower the Board to adopt rules and regulations;

**Whereas,** Article XII, Section 1, of the Declaration specifies that each Owner and Occupant shall comply with the Declaration, Bylaws, and rules and regulations adopted thereto.

**THEREFORE BE IT RESOLVED THAT:**

- I. The Board of Directors have:
  - A. Established and maintained, in the name of the homeowner's association, a Reserve Fund held separate from the Association's Operating Fund for the maintenance, repair, and replacement of the association's common property elements. Additions to the association's common property elements will be added to the Reserve Study for future maintenance, repair, and replacement but the cost of construction or acquisition for new capital assets will not be taken from the Reserve Fund
  - B. Established and maintained an initial Reserve Study that includes all structures or improvements on the Common Property that require repair, replacement, or maintenance in more than three (3) years but less than thirty (30) years, and the projected replacement costs thereof.
  - C. Developed and maintained a Chart of Accounts\* for the Association's Reserve Fund

---

<sup>1</sup> Considered for discussion February 24, 2021 Board Meeting, Revisions adopted March 24, 2021

that accommodates the accurate and timely tracking, recording, and reporting of the Fund's revenues, expenses, assets, and liabilities. This Chart of Accounts aligns with the Component Inventory codes and descriptions represented in the Association's Reserve Study.

- \*The structure and content of the Reserve Fund's Chart of Accounts may not be changed without approval of the Association's Board of Directors.

II. The Board of Directors will:


- Annually review and update as appropriate the Association's Reserve Study and projected funding requirements.
- Annually prepare a three (3) to five (5) year Maintenance Plan for the maintenance, repair and replacement of all property for which the Association has responsibility including projected costs and funding.
- Provide for other reserve items that the Board of Directors, in its discretion, may deem appropriate.<sup>2</sup>
- Acknowledge that there will be no minimum charge to the Association's Reserve Fund to pay for maintenance, repairs, or replacement of capital assets identified in the Reserve Study
- Use an amount >\$500.00 as a basis for adding a new capital asset to the Reserve Study Component Inventory of Capital Assets


III. As reviewed and approved by action of the Board of Directors of the KC Highlands Homeowners Association, Inc. an Oregon Planned Community restricted to residents fifty-five (55) years of age or older, and a Non-Profit Corporation.

**IT IS FURTHER RESOLVED THAT:**

A copy of this resolution shall be sent to all Owners at their last known address.

The undersigned President and BOD Officer certify that this Resolution was approved by the Board of Directors at a Board meeting held on: 06/28/2017 and subsequently revised by the Board of Directors at a Board meeting held on: 03/24/2021

  
\_\_\_\_\_  
President  
King City Highlands Homeowners Association, Inc.

  
\_\_\_\_\_  
Secretary  
King City Highlands Homeowners Association, Inc.

Date 3/24/2021

Date 3/25/2021

<sup>2</sup> ORS 94.595 Section (3)(b)(B) and 2017 OR HB 3057 Chapter 111