

KC HIGHLANDS HOMEOWNERS ASSOCIATION, INC.

An Oregon Planned Community restricted to residents fifty-five (55) years of age or older.

BOARD OF DIRECTORS RESOLUTION #2013-13

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 may not be delegated to the Board by the owners;

Whereas, 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(a), of the Bylaws empower the Board to adopt rules and regulations;

Whereas, Article XII, Section 1 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 shall:

- A. Establish and maintain, in the name of the homeowners association, a Reserve Fund held separate from the Association's Operating Fund;
- B. Establish and maintain an initial Reserve Study that shall include all structures or improvements on the Common Property that require repair or replacement in more than three (3) years but less than thirty (30) years, and the projected replacement costs thereof.

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- C. Annually review and update as appropriate the Association's reserve study and projected funding requirements.
- D. 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 maintenance, repair or replacement responsibility including the projected costs and funding.
- E. Develop and maintain a Chart of Accounts for the Association's Reserve Fund that will accommodate the accurate and timely tracking, recording, and reporting of the Fund's revenues, expenses, assets, and liabilities. This Chart of Accounts shall closely coordinate with those codes and descriptions represented in the Association's Reserve Study.
- F. REVENUE:
 - 450 Allocation From General Fund
 - 455 Transfer Fees
 - 470 Interest Income
 - 489 Other Income
- G. EXPENSE:
 - 600 Concrete
 - 605 Masonry
 - 610 Wood, Plastics, & Composites
 - 615 Thermal & Moisture Protection
 - 620 Openings
 - 625 Finishes
 - 630 Specialties
 - 635 Equipment
 - 640 Furnishings
 - 645 Plumbing
 - 650 Heating, Ventilating, & Air Conditioning
 - 655 Electrical
 - 660 Electronic Safety & Security
 - 665 Exterior Improvements – Structures
 - 670 Exterior Improvements – Landscape
 - 675 Inspection/Consultation

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

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- III. The Board of Directors shall use an amount \geq \$300.00 as a basis for determining major repair and replacement expenditures to be charged to the Association's Reserve Fund.

The provisions contained in this document shall be formally reviewed and approved or rescinded by the Board of Directors at the beginning of each successive three (3) year period effective January 2014.

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 Non Profit Corporation.

By: Mary Davis Date: 11-13-13
President

Attested: Barlene Whitten Date: 11-13-13
Secretary