

**RESOLUTION  
OF THE  
LAKEVIEW ESTATES VENTURE HOMEOWNERS' ASSOCIATION (LEVHA)  
REGARDING REVIEW OF RESERVE ACCOUNT AND RESERVE STUDY  
POLICY**

**SUBJECT:** Policy statement related to LEVHA'S Reserve Account and Reserve Study.

**PURPOSE:** To state in policy form the existing procedures for review of the Reserve Account and to provide for the required review of the existing reserve study.

**AUTHORITY:** The Declarations, Articles of Incorporation, Bylaws of the Association, and Colorado Law.

**EFFECTIVE DATE:** \_\_\_\_\_

**RESOLUTION:** The Association hereby adopts the following policy:

1. PROCEDURES. Over the years, LEVHA has developed the following procedures related to the Reserve Account. LEVHA's Reserve Account is reviewed monthly by the Board of Directors at their regularly scheduled meeting. In addition, the Reserve Committee (LEVHA member volunteers) meets with the Accounting Manager once every quarter to review, analyze and update, as necessary, the Reserve Components Listing. The Reserve Committee Chairperson reports the results to the Board at the next Board Meeting for Board review and approval if required.

2. UPDATE OF THE RESERVE STUDY. A baseline Reserve Study of both the financial and physical aspects of LEVHA's Reserve Account was conducted in the year 2000 with a follow up Study done in 2006. The Reserve Study is on the Components List as a fundable item.

At least once a year, The Board of Directors with input from the Reserve Committee Chairperson determines whether an update to the Reserve Study is necessary. To help determine this, the Association directs the Board to consider the following:

- (1) Whether the Association added or replaced any significant common elements.
- (2) Whether the common elements sustained extreme wear and tear from harsh weather or lack of maintenance.
- (3) Whether local inflation of materials and labor has substantially increased.
- (4) Whether the Association has deferred any replacements or moved up replacements from the scheduled dates of replacement.

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- (5) Whether reserve income and expenses have occurred as planned.
- (6) Whether there have been any new technological changes or improved product development that might result in component change.

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:

- (1) Any special or extraordinary issues facing the community (such as an increase in major maintenance issues).
- (2) Increased deterioration in any components beyond normal wear and tear.
- (3) Economic changes that affect the replacement cost of any component.
- (4) Whether routine maintenance of the components has been completed on a regular, timely basis.

3. FUNDING OF THE RESERVE STUDY. The Reserve Study will be funded through regular assessments. The Reserve fund shall be funded at a level such that the Reserve fund shall at all times maintain a positive balance.

**PRESIDENT'S**

**CERTIFICATION:** The undersigned, being 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  
\_\_\_\_\_ and in witness thereof, the  
undersigned as subscribed his/her name.

**LAKE VIEW ESTATES VENTURE HOMEOWNERS  
ASSOCIATION,**  
a Colorado nonprofit corporation

By: \_\_\_\_\_  
President