

**RESOLUTION
OF THE
WOODBOURNE 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: October 21, 2009

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. Baseline Reserve Study. The Association has no current plans to conduct a baseline reserve study. However, the Board annually reviews and updates an internal Twenty Year Reserve Plan and analysis prepared by its managing agent which addresses the physical components in the community that the Association is obligated to maintain and the anticipated repair or replacement costs for such components. The reserve analysis also addresses the funds currently held in the Association's reserve fund in relation to the expected needs of the Association and a future funding plan to meet the expected requirements.

2. Update of the Reserve Study. Each year the Association shall cause the Twenty Year Reserve Plan and analysis to be evaluated to determine increases in replacement costs and decreases in remaining useful lives of the components, to adequately address changes to be made to the reserve analysis and funding. 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 analysis, the Association shall take into consideration the following:

- A. Any special or extraordinary issues facing the community
- 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. The reserve will be funded through regular assessments levied by the Association. The Association shall endeavor to maintain the reserve fund at a level such that the reserve fund shall be fully funded in accordance with the Twenty Year Reserve Plan. Notwithstanding the foregoing, at a minimum, the reserve fund shall at all times have 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 October 21, 2009 and in witness thereof, the undersigned has subscribed his/her name.

WOODBOURNE HOMEOWNERS ASSOCIATION, INC.

By: Carol Kou

President