

**RESOLUTION
OF THE
CEDAR TWO CONDOMINIUMS MANAGEMENT ASSOCIATION, INC.**

SUBJECT: Adoption of a policy related to when The Cedar Two Condominiums Management Association, Inc. ("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: Condominium Declarations for Cedar Two Condominiums ("Declaration"), Articles of Incorporation, and Bylaws of the Association and Colorado law.

**EFFECTIVE
DATE:**

April 13, 2011

In order to fulfill the obligation of the Association to establish a reserve fund for the maintenance, repair, and replacement of those general common elements that must be replaced periodically, per Article VIII, Section 3 of the Declaration, and to comply with Colorado law regarding the adoption of a reserve study policy, the Board of Managers hereby resolves as follows:

1. Baseline Reserve Study. The Board of Directors does not intend to conduct a reserve study at this time; however, if and when the Board deems it appropriate to do so, it will seek the assistance of a reserve study specialist, and the study will include both a physical analysis and a financial analysis as follows:

A. The physical analysis shall include:

(1) A component inventory identifying those portions of the common elements the Association is obligated to maintain, repair and replace periodically, 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 shall include:

(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.

A. If and when the Association conducts a reserve study, the Board shall cause the reserve study, including both the physical and financial analysis, to be evaluated by a reserve study specialist at least once every five years 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. In determining whether an update to the reserve study is needed more often than once every five years, the Association shall 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 for materials and labor has substantially increased.

(4) Whether the Association has deferred any replacements or moved up replacements from the scheduled dates of replacement.

(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 a component change.

B. 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 roof leaks or other 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 the Association has kept up with routine maintenance of the components.

3. Funding of the Reserve Study. Per Article VIII, Section 3 of the Declaration, the reserve account will be funded through the monthly payments of common assessments levied by the Association, and not through extraordinary special assessment. The reserve fund shall at all times be maintained at a positive balance.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of The Cedar Two Condominiums Management Association, Inc. certifies that the foregoing Resolution was adopted by the Board of Managers of the Association, at a duly called and held meeting of the Board on VIA email and in witness thereof, the undersigned has subscribed his/her name.

THE CEDAR TWO CONDOMINIUMS MANAGEMENT ASSOCIATION, INC. a Colorado nonprofit corporation

By: 

President

Jennifer Ross