

FOXFIELD COMMUNITY ASSOCIATION

RESOLUTION NO. 108
RESERVE OPERATION FUND

WHEREAS, Article IV, Section 4.02 of the Declaration of Covenants, Conditions, Restrictions and Reservation of Easements obligates the Board of Directors to use the Assessments exclusively to carry out the business and responsibilities of the Association; and

WHEREAS, the Board wishes to establish a Reserve Operation Fund to be used to offset General Operation Fund deficits which may arise from unforeseeable circumstances;

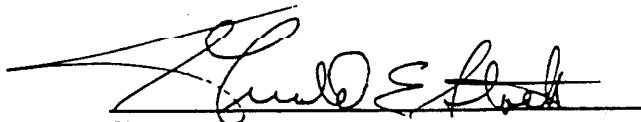
NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF FOXFIELD COMMUNITY ASSOCIATION, INC. THAT:

- 1) The Board of Directors shall establish a Reserve Operation Fund to be used exclusively to offset cost overruns in the General Operation Fund.
- 2) The Reserve Operation Fund Assessments shall remain a flexible amount, not to exceed 5% of the current General Operation Fund, minus any monies remaining in the General Operation Fund from the prior fiscal year.
- 3) The Board shall initially finance the Reserve Operation Fund based upon the FY93 audit which shows that the replacement fund owes the operating fund \$13,858. These funds shall be used to off-set any deficits in FY94. Future financing of the Reserve Operation Fund shall be based upon any surplus shown in future audits of the previous fiscal year.

This resolution shall go into effect on the 1st day of January, 1995.

1-24-95

Date


Signature

PRESIDENT

Title