

SUN MESA TOWNHOME OWNERS ASSOCIATION, INC.

**RESERVE STUDY AND FUNDING POLICIES
(UNDER HB 1359)**

**SUBJECT
AND**

PURPOSES: Compliance with Colorado law, to adopt policies as required under House Bill 09-1359.

AUTHORITY: The Declaration, Articles of Incorporation, and Bylaws of the Association and Colorado law.

**EFFECTIVE
DATE:** 9/16/09.

RESOLUTION: The Association adopts the attached policies (as required under House Bill 09-1359).

IN WITNESS WHEREOF, the undersigned certify that the foregoing was adopted by resolution of the Board of Directors of the Association on this 16th day of September, 2009.

**SUN MESA TOWNHOME OWNERS ASSOCIATION,
INC.,**
a Colorado nonprofit corporation.

By: Philip S. Book
President

ATTEST:

By: [Signature]
Title: SECRETARY

**SUN MESA TOWNHOME OWNERS ASSOCIATION, INC.
RESERVE STUDY POLICY AND RESERVE FUNDING POLICY**

1. Reserve Study Policy.

- The Association is not required under the Community's governing documents to have a reserve study.
- The Association has determined to establish policies on reserve studies as follows:
 - The Board of Directors shall determine whether to have a reserve study prepared and the timing of any such study.
 - The Association may have any reserve study updated or revised periodically.
 - Reserve studies may be performed by an outside consultant or may be prepared internally.
 - Reserve studies are preferred to be based on a physical examination of the Community by the person preparing the reserve study.

2. Reserve Funding Policy.

- The Association has determined to establish policies on reserve funding as follows:
 - Funding for replacement is preferred to be based on a financial analysis performed by the Association's managing agent in consultation with the Board of Directors.
 - Funding for replacement is planned and projected to be from the following sources: (1) cash then on hand, including the operation and the reserve accounts, (2) annual assessments of owners, (3) special assessments of owners, (4) a loan as may be obtained by the Association, and/or (5) any combination of the above.