

**The Courtyards at Quail Lake Homeowners Association, Inc.**  
**RESERVE STUDY AND FUNDING POLICIES**  
**(UNDER HB 1359)**

**PURPOSE:** 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:** October 11, 2010.

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

**1. Reserve Study Policy:**

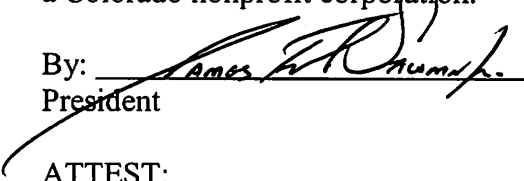
- The Association is not required under the Community's governing documents to have a reserve study.
- The Association has determined to establish policies on reserve studies as follows:
  - The Board of Directors shall determine whether to have a reserve study prepared and the timing of any such study;
  - 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:**

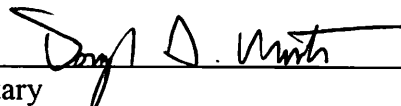
- The Association has determined to establish policies on reserve funding as follows:
  - Funding for replacement is preferred to be based on a financial analysis performed by the Association's managing agent in consultation with the Board of Directors;
  - Funding for replacement is planned and projected 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.

IN WITNESS WHEREOF, the undersigned certify that the foregoing was adopted by resolution of the Board of Directors of the Association on this 11<sup>th</sup> day of October, 2010.

**THE COURTYARDS AT QUAIL LAKE  
HOMEOWNERS ASSOCIATION, INC.,**  
a Colorado nonprofit corporation.

By:   
President

ATTEST:

By:   
Secretary