CEDAR LODGE CONDOMINIUM ASSOCIATION, INC.

RESERVE STUDY AND FUNDING POLICIES
(UNDER HB 09-1359)

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: January 23, 2010 .

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 _23rd_ day of _January_ _____, 20 _10_ .

CEDAR LODGE CONDOMINIUM ASSOCIATION, INC., a Colorado nonprofit corporation.

By: _Steven F. Kone_____

President

ATTEST:

By: _____

Title: _____

CEDAR LODGE CONDOMINIUM 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:

     o The Association has had a reserve study prepared.

     o The Association plans to update the reserve study annually.

     o Reserve studies are preferred to be performed by the property manager.

     o Reserve studies are preferred to be based on a physical examination of the community by the person preparing the reserve study, but may be performed without a physical examination.

2. **Reserve Funding Policy.**

   - The Association has determined to establish policies on reserve funding as follows:

     o Funding for replacement is preferred to be based upon the financial estimates set forth in the reserve study. Such amounts are preferred to be included in the regular assessments and not funded through extraordinary special assessments.

     o 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) assessments of owners, (3) a loan as may be obtained by the Association, and/or (4) any combination of the above.