

**DRAKE LANDING CONDOMINIUM ASSOCIATION
RESERVE PLANNING POLICY AND RESERVE FUNDING POLICY**

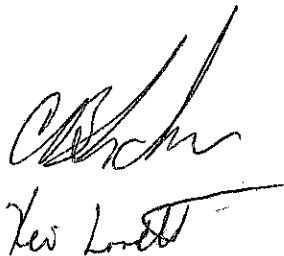
Effective 4-20-12

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 reserves as follows:
 - The Association plans to spend reserve funds wisely.
 - Reserve studies are preferred to be performed by the Board, property manager, or outside third party advisor.
 - 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:
 - Funding for replacement is preferred to be based upon the financial estimates and needs of the Association.
 - 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.


Chris Lott