

FARMERS GROVE HOME OWNERS ASSOCIATION

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:

2-4-10

RESOLUTION:

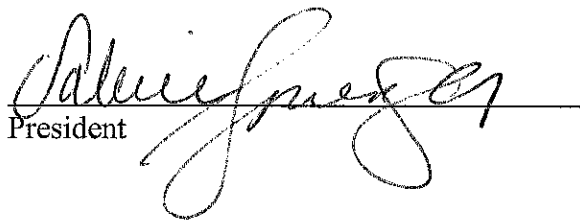
The Association adopts the attached policies (as required under House Bill 09-1359).

IN WITNESS WHEREOF, the undersigned certify that the foregoing was adopted by resolution of the Board of Directors of the Association on this 4 day of February, 20 10.

**FARMERS GROVE HOME OWNERS
ASSOCIATION**, a Colorado nonprofit corporation.

By:

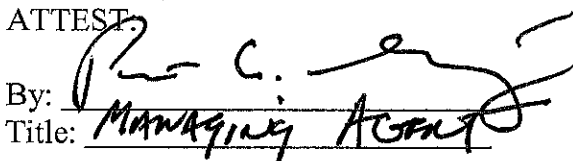
President



ATTEST:

By:

Title:



MANAGING AGENT

**FARMERS GROVE HOME OWNERS ASSOCIATION
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 Association has had a reserve study prepared.
 - The Association plans to update the reserve study annually.
 - Reserve studies are preferred to be performed by the property manager.
 - 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 set forth in the reserve study.
 - 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.