

**VILLAS AT PROSPECT POINT 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:**

15 January 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 15 day of January, 2010.

**VILLAS AT PROSPECT POINT CONDOMINIUM  
ASSOCIATION, INC., a Colorado nonprofit corporation.**

By:

Robert C. Bullard

President

ATTEST:

By:

D. Bowden

Title:

Secretary

**VILLAS AT PROSPECT POINT 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:
  - The Association has had a reserve study prepared.
  - The Association plans to update the reserve study from time to time as necessary.
  - 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.