

THE RANCH FILING NO. 3 HOMEOWNERS' ASSOCIATION

**RESERVE STUDY AND FUNDING POLICIES
(UNDER HB 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:** October 3, 2012.

RESOLUTION: The Association adopts the attached policy (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 10th day of September, 2012.

**THE RANCH FILING NO. 3 HOMEOWNERS
ASSOCIATION**, a Colorado nonprofit corporation.

By: Mac L. Linder
President

ATTEST:

By: [Signature]
Title: SECRETARY

**THE RANCH FILING NO. 3 HOMEOWNERS' 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 will periodically determine, at the sole discretion of the Board of Directors, whether a reserve study is necessary or advisable. The Association currently has a reserve study prepared by the Board of Directors prior to the 2011 annual meeting of homeowners. The Association may have any reserve study that is prepared updated as necessary.
 - 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 Board of Directors, or by the Association's managing agent, if any, in consultation with the Board of Directors.
 - For replacement of the Association's perimeter fence, replacement material will be as approved by a majority of the owners eligible to vote at the time of any such vote.
 - 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.