

**HIGHLANDS AT STONEGATE NORTH CONDOMINIUM  
OWNERS 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:**

8/13/09

**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 13<sup>th</sup> day of August, 2009.

**HIGHLANDS AT STONEGATE NORTH  
CONDOMINIUM OWNERS ASSOCIATION,**  
a Colorado nonprofit corporation.

By:

Robert B. Cunningham  
President

ATTEST:

By:

Patricia B. DeLisalle

Title:

Pres.

**HIGHLANDS AT STONEGATE NORTH CONDOMINIUM 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 Board of Directors shall determine whether to have a reserve study prepared and the timing of any such study.
  - If prepared, the Association may have the reserve study updated or revised periodically to acknowledge and account for any changes that may occur.
  - Reserve studies may be performed by an outside consultant or may be prepared internally.
  - 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 a policy on reserve funding as follows:
  - Funding for replacement is preferred to be based on a financial analysis performed by the Association's managing agent in consultation with the Board of Directors.
  - 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.