

**RESOLUTION OF
SUNDANCE HOMEOWNERS ASSOCIATION, INC.
REGARDING
RESERVE STUDIES AND FUNDING**

**SUBJECT
AND
PURPOSE:**

To adopt policies and procedures regarding reserve studies and funding in compliance with Colorado law.

AUTHORITY:

The Declaration of Covenants, Conditions and Restrictions for Sundance Homeowners Association ("Declaration"), Articles of Incorporation ("Articles") and Bylaws of the Association and Colorado law.

**EFFECTIVE
DATE:**

August 22, 2016.

RESOLUTION:

The Association hereby adopts the following policies and procedures, contained herein.

PRESIDENT'S

CERTIFICATION: IT WITNESS WHEREOF, the undersigned certifies that this Reserve Studies and Funding Policy was adopted by resolution of the Board of Directors of the Association this 22nd day of August, 2016.

SUNDANCE HOMEOWNERS ASSOCIATION, INC.
a Colorado nonprofit corporation

By: _____


K.J. McCorry, President

Reserve Study and Funding Policies.

1. Purpose of the Reserve Fund. The purpose of the reserve fund is to responsibly fund and finance the projected repair and replacement of those portions of the community that the Association is responsible for and for other funding as the Board of Directors may determine. The portions of the community that the Association is responsible for typically have limited but reasonably predictable useful lives.

2. 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:
 - a. The Board of Directors will review the Reserve Study and reserve funding periodically, as determined in the sole discretion of the Board.

 - b. Reserve studies are preferred to be performed by a professional reserve specialist or by the Association's managing agent.

 - c. 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 by the person preparing the study without a physical examination.

3. Reserve Funding Policy. The Association has determined to establish policies on reserve funding as follows:
 - a. Funding for replacement is preferred to be based on a financial analysis performed by a professional reserve specialist or the Association's managing agent, or may be performed without a financial analysis.

 - b. Funding for replacement is planned and projected to be through the Association's assessment of the Owners, as determined from year-to-year, by the Board, or from the following sources:
 - Cash then on hand, including the operation and the reserve accounts
 - Assessments of owners
 - Special assessments of owners
 - A loan as may be obtained by the Association, and/or
 - Any combination of the above.