

Delmonico Townhomes Association, Inc.
RESERVE STUDY AND FUNDING POLICIES
(UNDER HB 1359)

PURPOSE: 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: November 17, 2009

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

1. Reserve Study Policy:

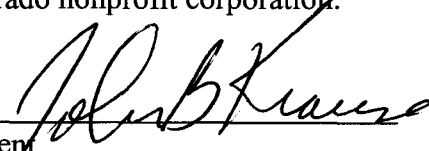
- The Association is not required under the Community's governing documents to have a reserve study.
- The Association has determined to establish policies on reserve studies as follows:
 - The Board of Directors shall determine whether to have a reserve study prepared and the timing of any such study;
 - The Association may have any reserve study updated or revised periodically;
 - 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:

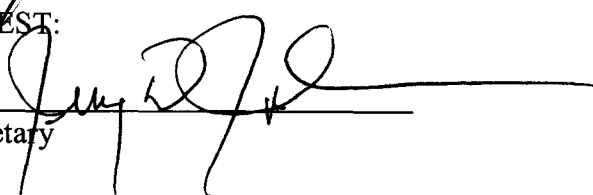
- The Association has determined to establish policies on reserve funding as follows:
 - Funding for replacement is preferred to be based on a financial analysis performed by the Association's managing agent in consultation with the Board of Directors;
 - Funding for replacement is planned and projected 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.

IN WITNESS WHEREOF, the undersigned certify that the foregoing was adopted by resolution of the Board of Directors of the Association on this 17th day of November, 2009.

Delmonico Townhomes Association, Inc.
a Colorado nonprofit corporation.

By: 
President

ATTEST:

By: 
Secretary