

**COLORADO'S TIMBER RIDGE HOMEOWNERS ASSOCIATION, INC.
RESERVE STUDY AND FUNDING POLICY**

In compliance with the Colorado Common Interest Ownership Act, the Board of Directors desires to adopt a policy regarding reserve studies and reserve funding.

The Association hereby adopts the following policies and procedures:

1. Reserve Study Policy.

- The Association is not [required under the governing documents to have a reserve study.
- The Association has determined to establish a policy on reserve studies as follows:
 - The Association has obtained a reserve study prepared by a company specializing in reserve studies.
 - The Association may have the reserve study updated or revised as the Board deems appropriate.
 - Reserve studies are preferred to be based on a physical examination of the community by the person or entity preparing the reserve study, but may be performed without a physical examination of the community.

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, as may be delegated to a committee and may be performed in conjunction with a financial professional.
 - 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 this Reserve Study and Funding Policy was adopted by resolution of the Board of Directors of the Association on this 8th Day of March, 2010.

COLORADO'S TIMBER RIDGE HOMEOWNERS ASSOCIATION, a
Colorado nonprofit corporation,

By: Original signed by: Barbara Parada
Its: President

ATTEST:

By: Original signed by: Mike Ward, Board Member