

**THE ISLAND AT SPRINGS RANCH HOMEOWNERS ASSOCIATION, INC.  
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.
  - 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 of the Association's upcoming needs performed by the Board in consultation with the Association's managing agent.
  - 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.

**THE ISLAND AT SPRINGS RANCH HOMEOWNERS  
ASSOCIATION, INC.**

**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:**

August 18, 2009.

**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 18 day of August, 2009.

**THE ISLAND AT SPRINGS RANCH  
HOMEOWNERS ASSOCIATION, INC.,**  
a Colorado nonprofit corporation.

By: Daryl E. Grant  
President

ATTEST:

By: Greg Broeckelman  
Title: Vice-President