



LITTLE ELK CREEK VILLAGE
HOME OWNERS' ASSOCIATION
Post Office Box 420
Snowmass, CO 81654-0420

**THE LITTLE ELK CREEK VILLAGE HOMEOWNERS' ASSOCIATION
POLICY AND PROCEDURE**

PREPARATION OF RESERVE STUDY

Resolved and Adopted October 13, 2010
Amended _____

The following policy and procedure has been adopted by the Board of Trustees ("Board") of The Little Elk Creek Village Homeowners' Association ("Association") pursuant to Colorado statutes, for preparation of a reserve study.

The Board of Trustees shall conduct a reserve study at such times as in its sole discretion it determines it necessary, but at least every five years, to determine the necessity and amount of reserves required to maintain, repair, replace and restore the Association's commonly owned elements. The Board may cause the reserve study to be conducted by a third party reserve study professional with prior experience, sound credentials and appropriate insurance to address the Association's needs.

The reserve study shall be based on a physical analysis and a financial analysis, include projected sources of funding for the reserve, and be reviewed by the Board annually prior to budget preparation to determine if reserves are sufficient. The Board shall have the authority to and shall make any adjustments deemed necessary to maintain reserves.

Reserve funds for the Association commonly owned elements shall be maintained in a Reserve Fund and shall be used for major capital repairs, replacements, maintenance, restoration and improvements.

The Reserve Fund may be funded from common or special assessments, interest or investment income from the association's accounts, grants, loans, or such other sources as may be or become available, and in accordance with such funding plans as are established by the Board. All such reserve funds collected or generated will be invested in accordance with the Association's Policy for Investment of Reserve Funds.

The provisions of this Policy shall be in addition to and shall supplement the terms and provisions of the Declaration, Bylaws, and the laws of the State of Colorado governing the Association.

The Board may amend this Policy from time to time.

SECRETARY'S CERTIFICATION: The undersigned, being the Secretary of The Little Elk Creek Village Homeowners' Association, a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted by the Board of Trustees of the Association, at a duly called and held meeting of the Board on October 13, 2010, and in witness thereof, the undersigned has subscribed his/her name.

THE LITTLE ELK CREEK VILLAGE HOMEOWNERS' ASSOCIATION, a Colorado non-profit corporation

By: Robert Wright, Owner Block 1, Lot 32--Little Elk Creek Village
Secretary