BEAR CREEK HOMEOWNERS ASSOCIATION, INC.

POLICY # 0009: RESERVE STUDY AND FUNDING POLICY

Adopted 5-25-10

The following procedures have been adopted by the Bear Creek Homeowners Association, Inc. ("Association") pursuant to the provisions of C.R.S. §38-33.3-209.5(1)(b)(IX), the Association Documents, and The Act, at a regular meeting of the Board of Directors.

Purpose: To adopt a Policy setting forth procedures for a reserve study and funding policy.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following Policy governing a reserve study and funding policy:

1. The Association shall have prepared a reserve study for the portions of the Project maintained, repaired, replaced and improved by the Association at such time as the Board shall, in its sole business judgment, determine that this is necessary. Partial updates and changes may be made at the discretion of the Board. This study may be made by members of the Association or professionals, in the discretion of the Board.

2. The Association does or will have a funding plan for work recommended by any reserve study and the sources of funds to perform any work may include, among other things, current assessments, regular assessments, additional assessments, special assessments, a reserve fund into which deposits have been made, operating surpluses from previous years, borrowing or any other source of funding. Funding may be made through a pre-funded reserve fund or at the time of the necessary work. Funding sources may be changed at the discretion of the Board. Different work may be funded in different manners or in several different manners.

3. Any reserve study will be based upon both a physical and financial analysis.

PRESIDENT'S CERTIFICATION:

The undersigned, being the President of the Bear Creek Homeowners Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Resolution # 0009 was introduced for first reading at a duly called and held meeting of the Board on May 25, 2010, and is hereby approved and adopted by the Board, at a duly called and held meeting of the Board on May 25, 2010, and in witness thereof, the undersigned has subscribed his/her name.

Bear Creek Homeowners Association, Inc., a Colorado non-profit corporation

By: _____
President

By: _____
Secretary