

The Knolls & Ravenna Hills Homeowners Association

Criteria and Funding Plan

BE IT RESOLVED, the Association hereby adopts the following procedures to be followed for enforcing policies rules and regulations and other governing documents of the Association.

1. Scope:

To adopt a procedure and policy outlining procedures to be followed for capital replacement/reserves items.

2. Specifics:

There shall be an annual inspection by the Board of Directors and a qualified water system professional, as well as any additional professionals required to assess the condition, likely remaining useful life, and replacement cost of any additional common property identified on the reserve schedule. Such inspection shall identify the components that will eventually have to be repaired or replaced. There shall also be an identification of the projected cost and estimated useful life of the components.

The Board of Directors shall annually assess all association property for long-term capital replacement needs, and shall list all property so identified on a reserve schedule. The Board of Directors may enlist the services of a reserve specialist if it deems appropriate.

There shall be a funding plan based on the reserve schedule. The funds shall be sequestered as soon as allocated amount is sufficient to open a no-fee bank account.

All projects shall be fully-funded. Estimated funds shall be collected every year and sequestered in dedicated account.

3. Definitions: Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning therein.

4. Supplement to Law: The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Association

5. Deviations: The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

6. Amendment: The Board of Directors may amend this procedure from time to time.

President's Certification: The undersigned, being the President of the Association, certifies that the Board of Directors of the Association adopted the foregoing resolution and in witness thereof, the undersigned has subscribed his/her name.

The Knolls & Ravenna Hills Homeowners Association

Paul A. West
President

Effective Date: 4/21/14