SYLVAN SQUARE CONDOMI NIUM ASSOCIATION

EXECUTIVE BOARD

RESOLUTION

RESERVE STUDY AND FUNDING POLICY

September 30, 2009

The Executive Board of Sylvan Square Condominium Association, Inc., a Colorado nonprofit corporation (the "Association"), hereby approves and adopts the following Resolution:

RESOLVED, that the following Policy of the Association related to Reserve Studies and Funding is hereby adopted and ratified:

1. Scope. In order to properly maintain areas in Sylvan Square Condominiums that are the responsibility of the Association, to comply with state statutes, and to protect the market value of Owners' units and livability in Sylvan Square Condominiums the Executive Board determines that it is necessary to have policies and procedures for the Association to have reserve studies prepared and funded.

2. Reserve Study. In order to determine funding of the Reserve Fund, the Executive Directors may determine, with the assistance and advice of professionals, the life expectancy of those portions of Sylvan Square Condominiums to be maintained, repaired, replaced and improved by the Association and the anticipated costs of maintaining, repairing, replacing and improving those identified areas (hereinafter referred to as a "Reserve Study").

a. Full Reserve Study. The Association shall commission a full Reserve Study ("Full Study") within five (5) years after the date of the Resolution. The Full Study will be comprised of both a physical and a financial analysis. The physical analysis will include, at a minimum, a component inventory, condition assessment (based on an on-site visual inspection) and life and valuation estimates of components. The financial analysis will include, at a minimum, a report on view of the status of the reserve fund at the time of the Full Study, a projection of the reserve balance and shortfalls or excesses if funding continues at the current pace, projections of reserve expenses, and recommended reserve fund contributions for a minimum of twenty (20) years, together with recommendations for projected sources of funding and a funding plan. The Full Study shall be conducted by one or more third-party professionals with experience in conducting reserve studies for homeowners' associations and will follow the best practices guidelines adopted by the Community Associations Institute ("CAI") from time to time.

b. Every five (5) years after the completion of the Full Study, the Association will commission an updated reserve study ("Updated Study") that will be comprised of both a physical and a financial analysis. The physical analysis will include an updated inventory to show modification, addition or deletion of components, a condition assessment (based on an on-site visual inspection of components) and updated life and valuation estimates of components. The financial analysis will provide any necessary updates to the report provided in the Full Study.

9. Review of Reserve Study. The Executive Board, in conjunction with the Association's tax and legal advisors, if any, will review the Full Study and any Updated Studies and will create and periodically update the following:

a. Schedule of maintenance and replacement of components.

b. Funding plan, including projected sources of funding.

c. Reserve schedule.

11. Definitions. Unless otherwise defined in this Policy, initially capitalized or terms defined in the Declaration and Bylaws shall have the same meaning herein.

12. Supplement to Law. The provisions of this Policy shall be in addition to and in supplement of the terms and provisions of the Declaration, Bylaws, and the law of the State of Colorado governing Sylvan Square Condominium Association.

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

12. Waivers. The Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Board of Directors shall determine appropriate under the circumstances.

13. Defenses. Failure of the Association to comply with any provision in this Policy shall not be deemed a defense to payment of assessment fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this Policy.

14. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration and Bylaws shall have the same meaning herein.

15. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration, Bylaws, and the law of the State of Colorado governing Sylvan Square Condominiums.

16. 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.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am a duly elected and acting Secretary of Sylvan Square Condominium Association, Inc., a Colorado nonprofit corporation; and

That the foregoing Resolution was duly adopted by action of the Board of Directors of the Association at its meeting held on September 30, 2009, at which a quorum was present.

Dated: September 30, 2009.

Sara McClure, Secretary