

LIBERTY SQUARE CONDOMINIUM ASSOCIATION, INC.
RESERVE STUDY AND FUNDING POLICY

Effective Date: 01-16-2010

In compliance with the Colorado Common Interest Ownership Act, the Board of Directors desires to adopt a reserve study and funding policy.

The Association hereby adopts the following policy for reserve studies and funding.

1. Reserve Study Policy.

A. The Association is not required under the community's governing documents to have a reserve study.

B. The Association has determined to establish policies on reserve studies as follows:

i. The Association does not have a formal reserve study and does not have current plans to obtain a reserve study.

ii. If a formal reserve study is performed, it would be preferred to be performed by a company specializing in reserve studies. The Association may work with its management company to perform an informal reserve study.

ii. Reserve studies are preferred to be based on a physical examination of the community by the person preparing the reserve study, but may be performed by the person preparing the study without a physical examination of the community.

2. Reserve Funding Policy.

A. The Association has determined to establish policies on reserve funding as follows:

i. Funding for replacement may be performed without a financial analysis.

ii. 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.

IN WITNESS WHEREOF, the undersigned certify that this Reserve Study and Funding Policy was adopted by resolution of the Board of Directors of the Association on this 16th day of

JAN., 2010

LIBERTY SQUARE CONDOMINIUM ASSOCIATION, INC., a
Colorado nonprofit corporation,

By: Michael Dugley
Its: President

ATTEST:

By: [Signature]