

**THE VINEYARD HOMEOWNERS ASSOCIATION
RESERVE FUNDS STUDY FOR 2015**

In accordance with the Reserve Funds Policy, effective January 1, 2015, the Board of Directors of the Vineyard Homeowners Association (hereinafter referred to as the Association) hereby approves the following for the year 2015:

RESOLUTION: "Reserves" are funds the Association sets aside to cover the anticipated costs for the replacement of or significant repairs to major common area components that the Association is obligated to maintain. "Reserve Expenses" are those expenses incurred by the Association for such replacement or repairs. The Board of Directors of the Association hereby adopts this Resolution for 2015.

Reserve Study: The Board of Directors has conducted an internal reserve study for 2015. This reserve study is based on a physical and financial analysis.

Reserve Fund Starting Balance: The Reserve Fund Starting Balance is fifty thousand dollars (\$50,000.00).

Financial Reporting on Reserve Fund: The Treasurer of the Board of Directors will include the Reserve Funds starting balance, expenditures (if applicable), deposits, and ending balance on each monthly financial report for the Association.

Expected Reserve Expenses: The following is a listing of components to be maintained and/or replaced (the list includes the useful life of each component, the remaining useful life and the current replacement cost):

1. Repairs to Ute Water (domestic water) lines in our streets - There are no means to predict or pre-determine when a leak or leaks may appear in our streets. Once a leak or leaks have been found, it is imperative to repair the problem immediately. As the Association pays for domestic water for the entire subdivision, a leak or leaks will only continue to be a waste of water and Association monies. In the years past, we have had some years where NO leaks were encountered and other years where up to twelve thousand dollars were spent on repairing leaks. It is possible, that we could face a year with several leaks. Therefore, the monies decided to have in reserve funds for this item is twenty five thousand dollars (\$25,000.00);
2. Arkal Filter located in the pump house by the Settling Pond and RV Lot - The current Arkal Filter is approximately 16 years old. The useful life of this filter is between 16 and 18 years. We are anticipating the need to replace this filter within the next 2 years. Current replacement cost is fifteen thousand dollars (\$15,000.00). Therefore, the monies decided to have in reserve funds for this item is fifteen thousand dollars (\$15,000.00); and
3. Repair of crumbling parking islands - In 2013, the Association repaired three (3) parking islands for a total cost of twenty four thousand dollars (\$24,000.00). As the cost of replacement continues to increase on a yearly basis, the Board has decided to have ten thousand dollars (\$10,000.00) in the reserve funds for parking island repairs. The Board anticipates repairing at least one (1) parking island every two (2) years.

Funding Plan:

1. As repairs to Ute water lines in our streets cannot be pre-determined, the Board of Directors has decided not to include a reimbursement plan for this item for 2015; but leaves the option open to ask homeowners for a one-time special assessment vote if large amounts of monies are spent on this item;
2. As the Arkal Filter will only need replaced every 16-18 years, the Board of Directors has decided not to include a reimbursement plan for this item for 2015; and
3. The Board of Directors has decided to include in the 2015 yearly budget a line item for deposits into the reserve fund of four hundred sixteen dollars and sixty seven cents (\$416.67) per month for the entire year of 2015. This will total five thousand dollars (\$5,000.00) per year to reimburse the fund for the continual repair of the parking islands.

Reserve Fund Investment: The Board of Directors will continue to keep the reserve funds at ANB (American National Bank) in a money market account.

SUPPLEMENT TO LAW:

The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration of CC&Rs and the laws of the State of Colorado governing the Community.

BOARD CERTIFICATION:

The undersigned, being the President and the Secretary of the Vineyard Homeowners Association, a Colorado nonprofit corporation, certify that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Vineyard Homeowners Association on November 22, 2014, and in witness thereof, the undersigned have subscribed their names.

VINEYARD HOMEOWNERS ASSOCIATION

A Colorado non-profit corporation,



Dean Corder, President



Dennis Lowery, Secretary