

**RESOLUTION OF  
OURAY RIVER PARK TOWNHOMES ASSOCIATION, INC.  
ADOPTING POLICY REGARDING RESERVE STUDY  
Policy #9**

**SUBJECT:** Reserve Study policy.

**PURPOSE:** This policy identifies whether Ouray River Park Townhomes Association Inc. (the “Association”) has prepared a reserve study for the portions of the community it has a responsibility to maintain, repair, replace or improve, including information about whether there is a funding plan for work recommended by the reserve study, sources of funding, and the basis of these analyses..

**AUTHORITY:** The Declaration of Ouray River Park Townhomes Association (the “Declaration”), Articles of Incorporation and Bylaws of the Association, any amendments thereto (the “Governing Documents”) and Colorado law.

**EFFECTIVE DATE:** November 16, 2018

**RESOLUTION:** The Association hereby adopts the following procedures to be followed in adopting a Reserve Study policy:

- 1) Executive Board Responsibility: It shall be the responsibility of the Executive Board to determine the repair and replacement risk of the assets owned and maintained by the Association. It shall be the Executive Board’s responsibility to create and maintain adequate reserves to provide for the orderly repair, restoration and replacement of these assets so as to minimize the risk to the homeowners of special assessments, deferred maintenance, or unfunded losses.
- 2) Reserve Study: In order to determine funding of the Reserve Fund, the Executive Board shall determine the life expectance of those portions of the community to be maintained, repaired, replaced, and improved by the Association and the anticipated costs of maintaining, replacing and improving those identified areas (Reserve Study). The study may be conducted internally.
- 3) Basis of Study: The Reserve Study will include both a physical and financial analysis as follows:
  - a) Physical Analysis. The physical analysis will include:
    - i) A component inventory identifying those portions of the community the Association is obligated to maintain, including the useful life of each component; and
    - ii) Estimates of the remaining useful life and replacement cost of each component.

- b) Financial Analysis: The financial analysis will include:
  - i) An analysis of the funds currently held in the Association's reserve funding in relation to the expected needs of the Association per the reserve study; and
  - ii) A future funding plan to meet the requirements of the reserve study.
  
- 4) Frequency. Each year following the establishment of the initial baseline study as provide above, the Association shall cause the reserve study to be evaluated to determine any increases in replacement costs and decreases in the useful life of the components of the Reserve Study to address any changes that need to be made.
  
- 5) Funding: The Reserve Fund will be funded through regular assessments and, when necessary, special assessments levied by the Association. The reserve fund shall be funded at a level such that the reserve fund shall at all times maintain a positive balance and shall target a surplus contingency amount which shall be set by the Executive Board from time to time.
  
- 6) Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
  
- 7) Supplement to Law. The provision of this Resolution shall be in addition to and in supplement of the terms and provision of the Declaration and the law of the State of Colorado governing the Community.
  
- 8) Deviations. The Executive Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.
  
- 9) Amendment. This Procedure may be amended from time to time by the Executive Board.

**BOARD OF DIRECTORS CERTIFICATION:** See signature page.

**RESOLUTIONS OF THE BOARD OF DIRECTORS OF OURAY RIVER PARK  
TOWNHOMES ASSOCIATION, INC.**

**A resolution of the Board of Directors of Ouray River Park Townhomes Association, Inc., adopting responsible governance polices for Ouray River Park Townhomes Association, Inc.**

WHEREAS, Colo. Rev. Stat. § 38-33.3-209.5 requires that to promote responsible governance, common interest community associations shall adopt policies, procedures, and rules and regulations concerning the following matters:

- a. Procedures for the adoption and amendment of policies, procedures, and rules (Policy 1);
- b. Handling of conflicts of interest involving board members (Policy 2);
- c. Collection of unpaid assessments (Policy 3);
- d. Conduct of meetings (Policy 4);
- e. Enforcement of covenants and rules, including notice and hearing procedures and the schedule of fines (Policy 5);
- f. Procedures for addressing disputes arising between the association and unit owners (Policy 6);
- g. Inspection and copying of association records by unit owners (Policy 7);
- h. Investment of reserve funds (Policy 8); and
- i. When the association has a reserve study prepared for the portions of the community maintained, repaired, replaced, and improved by the association; whether there is a funding plan for any work recommended by the reserve study and, if so, the projected sources of funding for the work; and whether the reserve study is based on a physical analysis and financial analysis (Policy 9).

WHEREAS, Ouray River Park Townhomes Association, Inc. is a common interest community under Colorado law;

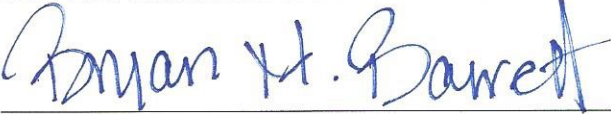
WHEREAS, pursuant to Colo. Rev. Stat. § 38-33.3-303(1)(a), except as otherwise provided in the declaration, the bylaws or any other provision of Article 33.3, the executive board may act in all instances on behalf of the association;

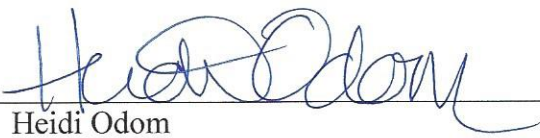
WHEREAS, the Board, in furtherance of its duties to manage the planned community for the purposes set forth in the Declaration, desires to adopt the policies, procedures, and rules and regulations concerning the matters required under Colo. Rev. Stat. § 38-33.3-209.5.

OURAY RIVER PARK TOWNHOMES ASSOCIATION, INC.  
BOARD OF DIRECTORS

**BOARD OF DIRECTORS CERTIFICATION:** The undersigned, being the Board of Directors of the Association, certifies that the foregoing Resolution was adopted at a duly called and held meeting of the Board of Directors on November 16, 2018 and in witness thereof, the undersigned has subscribed his/her name.

OURAY RIVER PARK TOWNHOMES ASSOCIATION, INC.

By:   
Bryan Barrett

By:   
Heidi Odom