

**POLICY OF THE MOORINGS OWNERS' ASSOCIATION, INC.
REGARDING PROCEDURES FOR ADOPTION OF POLICIES, PROCEDURES,
RULES, REGULATIONS, OR GUIDELINES**

- SUBJECT:** Adoption of a procedure to be followed when adopting policies, procedures, rules, regulations or guidelines (hereinafter "Policy" or "Policies") regarding the operation of the Association.
- PURPOSE:** To adopt a standard procedure to be used in developing Policies in order to facilitate the efficient operation of the Association and to afford Owners an opportunity to provide input and comments on such Policies prior to adoption.
- AUTHORITY:** The Declaration, Articles of Incorporation and Bylaws of the Association and Colorado law.
- EFFECTIVE DATE:** September 19, 2022
- RESOLUTION:** The Association hereby adopts the following procedures to be followed in adopting Policies of the Association:
1. Scope. The Board of Directors of the Association may, from time to time, adopt certain Policies as may be necessary to facilitate the efficient operation of the Association, including the clarification of ambiguous provisions in other documents, or as may be required by law. In order to encourage Owner participation in the development of such Policies and to ensure that such Policies are necessary and properly organized, the Board shall follow the following procedures when adopting any Policy.
 2. Drafting Procedure. The Board shall consider the following in drafting the Policy:
 - (a) Whether the governing documents or Colorado law grants the Board the authority to adopt such a Policy;
 - (b) The need for such Policy based upon the scope and importance of the issue and whether the governing documents adequately address the issue; and

(c) The immediate and long-term impact and implications of the Policy.

3. Notice and Comment. The adoption of every Policy shall be listed on the agenda for the Board meeting prior to adoption by the Board and any Owner who wishes to comment on the proposed Policy shall be afforded such opportunity at the meeting in compliance with Colorado law.
4. Adoption Procedure. Upon adoption of a Policy, the Policy or notice of such Policy (including the effective date) shall be provided to all Owners by any reasonable method as determined by the sole discretion of the Board, including but not limited to posting on the Association's website.
5. Policy Book. The Board of Directors shall keep copies of any and all adopted Policies in a book designated as a Policy Book. The Board of Directors may further categorize Policies, Procedures, Rules and Regulations, Policies and Guidelines but shall not be required to do so.
6. Definitions. Unless otherwise defined in this Policy, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
7. Supplement to Law. The provisions of this Policy 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 community.
8. 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.
9. Amendment. This Procedure may be amended from time to time by the Board of Directors.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of The Moorings Owners' Association, Inc., a Colorado nonprofit corporation, certifies the foregoing Policy was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on September 19, 2022 and in witness thereof, the undersigned has subscribed their name.

**The Moorings Owners' Association, Inc., a
Colorado nonprofit corporation**

By: Raymond E. White
Its: President

**POLICY OF THE MOORINGS OWNERS' ASSOCIATION, INC.
ADOPTING POLICIES AND PROCEDURES
REGARDING BOARD MEMBER CONFLICTS OF INTEREST**

SUBJECT: Adoption of a policy and procedure regarding Director conflicts of interest and a code of ethics.

PURPOSE: To adopt a policy and procedure to be followed when a Director has a conflict of interest to ensure proper disclosure of the conflict and voting procedures and to adopt a code of ethics for Directors.

AUTHORITY: The Declaration, Articles of Incorporation, and Bylaws of the Association and Colorado law.

**EFFECTIVE
DATE:** September 19, 2022

RESOLUTION: The Association hereby adopts the following Policy and Procedure regarding Director conflicts of interest and code of ethics:

1. Review of Policy. The Board shall review this Policy and the procedures contained herein periodically to determine whether any revisions or amendments to this Policy are necessary or warranted.

2. General Duty. The Board of Directors shall use its best efforts at all times to make decisions that are consistent with high principles, and to protect and enhance the value of properties of the members and Association. All Directors shall exercise their power and duties in good faith and in the best interest of, and with utmost loyalty to the Association. All Directors shall comply with all lawful provisions of the Declaration and the Association's Articles, Bylaws, and Rules and Regulations.

3. Definition.

(a) "Conflicting interest transaction" means a contract, transaction, or other financial relationship between the Association and a Director, or between the Association and a party related to a Director, or between the Association and an entity in which a Director of the Association is a director or officer or has a financial interest.

(b) “Director” means a member of the Association’s Board of Directors.

(c) “Party related to a Director” means a spouse, a descendant, an ancestor, a sibling, the spouse or descendant of a sibling, an estate or trust in which the Director or a party related to a Director has a beneficial interest, or an entity in which a party related to a Director is a director or officer or has a financial interest.

4. Loans. No loans shall be made by the Association to its Directors or officers. Any Director or officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of the loan until it is repaid.

5. Disclosure of Conflict. Any conflicting interest transaction on the part of any Director or party related to a Director shall be verbally disclosed to the other Directors in open session at the first open meeting of the Board of Directors at which the interested Director is present prior to any discussion or vote on the matter. After disclosure, the Director may participate in the discussion but shall not vote on the matter. The minutes of the meeting shall reflect the disclosure made, the abstention from voting, the composition of the quorum and record who voted for and against.

6. Enforceability of Conflicting Interest Transaction. No conflicting interest transaction shall be voidable by an Owner or on behalf of the Association if:

(a) The facts about the conflicting interest transaction are disclosed to the Board, and a majority of the disinterested Directors, even if less than a quorum, in good faith approves the conflicting interest transaction;

(b) The facts about the conflicting interest transaction are disclosed to the Owners entitled to vote on the matter, and the conflicting interest transaction is authorized in good faith by a vote of the Owners entitled to vote on the matter; or

(c) The conflicting interest transaction is fair to the Association.

7. Code of Ethics. In addition to the above, each Director and the Board as a whole shall adhere to the following Code of Ethics:

- (a) No Director shall use their position for private gain, including for the purpose of enhancement of their financial status through the use of certain contractors or suppliers.
- (b) No contributions will be made to any political parties or political candidates by the Association.
- (c) No Director shall solicit or accept, directly or indirectly, any gifts, gratuity, favor, entertainment, loan or any other thing of monetary value from a person who is seeking to obtain contractual or other business or financial relations with the Association.
- (d) No Director shall accept a gift or favor made with the intent of influencing a decision or action on any official matter.
- (e) No Director shall receive any compensation from the Association for acting as a volunteer.
- (f) No Director shall willingly misrepresent facts to the members of the community for the sole purpose of advancing a personal cause or influencing the community to place pressure on the Board to advance a personal cause.
- (g) No Director shall interfere with a contractor engaged by the Association while a contract is in progress. All communications with Association contractors shall go through the Board President or be in accordance with policy.
- (h) No Director shall harass, threaten, or attempt through any means to control or instill fear in any member, Director or agent of the Association.
- (i) No promise of anything not approved by the Board as a whole can be made by any Director to any subcontractor, supplier, or contractor during negotiations.

(j) No Director shall knowingly misrepresent any facts to anyone involved in anything with the community which would benefit themselves in any way.

(k) Language and decorum at Board meetings will be kept professional. Personal attacks against owners, residents, managers, service providers and Directors are prohibited and are not consistent with the best interest of the community.

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

9. Supplement to Law. The provisions of this Policy 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 community.


10. 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.

11. Amendment. This Policy may be amended from time to time by the Board of Directors.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of The Moorings Owners' Association, Inc., a Colorado nonprofit corporation, certifies the foregoing Policy was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on September 19, 2022 and in witness thereof, the undersigned has subscribed their name.

**The Moorings Owners' Association, Inc., a
Colorado nonprofit corporation**

By: 
Its: President

**POLICY OF THE MOORINGS OWNERS' ASSOCIATION, INC.
REGARDING INVESTMENT OF RESERVE POLICY**

SUBJECT: Adoption of an Investment Policy for reserves of the Association.

PURPOSES: To adopt a policy for the investment of reserve funds.

AUTHORITY: The Declaration, Articles of Incorporation and Bylaws of the Association and Colorado law.

EFFECTIVE DATE: September 19, 2022

RESOLUTION: The Association hereby adopts a Policy as follows:

1. Scope. In order to properly maintain areas in the Community that are the responsibility of the Association, to comply with state statutes, to manage reserve funds, and to protect the market value of Owners' homes and livability in the Community, the Board of Directors determines that it is necessary to have policies and procedures for the investment of reserve funds.
2. Purpose of the Reserve Fund. The purpose of the Reserve Fund shall be to responsibly fund and finance the projected repair and replacement of those portions of the Community that the Association is responsible for and for such other funding as the Board of Directors may determine. The portions of the Community that the Association is responsible for typically have limited but reasonably predictable useful lives.
3. Investment of Reserves. The Board of Directors of the Association shall invest funds held in the Reserve Funds accounts to generate revenue that will accrue to the Reserve Funds accounts balance pursuant to the following goals, criteria and policies:
 - (a) Safety of Principal. Promote and ensure the preservation of the Reserve Fund's principal.
 - (b) Liquidity and Accessibility. Structure maturities to ensure availability of assets for projected or unexpected expenditures.
 - (c) Minimal Costs. Investments costs (redemption fees, commissions, and other transactional costs) should be minimized.
 - (d) Diversify. Mitigate the effects of interest rate volatility upon reserve assets.
 - (e) Return. Funds should be invested to seek the highest level of return.

4. Limitation on Investments. Unless otherwise approved by the Board, all investments will be FDIC (Federal Deposit Insurance Corporation) insured and/or guaranteed by the United States Government.
5. Investment Strategy. The investment strategy of the Association should emphasize a long-term outlook by diversifying the maturity dates of fixed-income instruments within the portfolio utilizing a ladder investment approach.
6. Independent Professional Investment Assistance. The Board of Directors of the Association may hire a qualified investment counselor to assist in formulating a specific investment strategy.
7. Review and Control. The Board shall review Reserve Fund investments periodically to ensure that the funds are receiving competitive yields and shall make prudent adjustments as needed.
8. Standard of Care. The officers and members of the Board of Directors shall make investment decisions in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the Director or officer reasonably believes to be in the best interests of the Association in accordance with the Colorado Revised Nonprofit Corporation Act.
9. Definitions. Unless otherwise defined in this Policy, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
10. Supplement to Law. The provisions of this Policy 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 community.
11. 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. Amendment. This Policy may be amended from time to time by the Board of Directors.

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**The Moorings Owners' Association, Inc., a
Colorado nonprofit corporation**

By: Raymond E. White
Its: President

**POLICY OF THE MOORINGS OWNERS' ASSOCIATION, INC.
REGARDING ALTERNATIVE DISPUTE RESOLUTION (ADR)**

SUBJECT: Adoption of a procedure regarding alternative dispute resolution.

PURPOSE: To adopt a standard procedure to be followed for alternative dispute resolution.

AUTHORITY: The Declaration, Articles and Bylaws of the Association and Colorado law.

**EFFECTIVE
DATE:**

September 19, 2022

RESOLUTION: The Association hereby adopts the following Policy and Procedures:

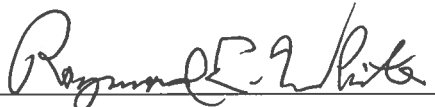
1. General. It is the general policy of the Association to encourage the use of Alternative Dispute Resolution to resolve disputes involving the Association and an Owner. Alternative Dispute Resolution ("ADR") is defined as a procedure for settling a dispute by means other than litigation, such as mediation, non-binding arbitration, or binding arbitration.
2. Policy. ADR, mediation, if agreed upon by the parties, may be pursued by the Association or an Owner before any lawsuit is filed by one party against the other. Notwithstanding, the Association shall not be required to mediate or arbitrate any dispute related to covenant enforcement, collection or foreclosure of the Association's lien. Any ADR is subject to the following:
 - (a) ADR shall not be required if time constraints prevent accomplishing ADR.
 - (b) ADR will not be pursued by the Association if an Owner refuses to participate in the process.
 - (c) At the time the parties agree to use ADR, the parties shall also agree on the form of ADR to be used. If the parties cannot agree on the form of ADR to be used, ADR shall be in the form of mediation.
 - (d) Any ADR pursued must be done so using a trained mediator, arbitrator, or facilitator having some familiarity with the governance of community associations.

- (e) Any ADR must be conducted in compliance with the Uniform Arbitration Act and/or the Dispute Resolution Act, as applicable.
 - (f) If ADR is to be pursued, the Owner shall execute an agreement with the Association prior to the commencement of the ADR process which tolls any applicable statute of limitations while the parties are attempting to resolve the dispute through ADR.
3. Selection of Mediator/Arbitrator. If the parties to the ADR cannot agree, within 30 days of the request for ADR, on the facilitator, mediator, arbitrator, or other qualified person to conduct the ADR, then, within 10 days,
- (a) Each party shall choose a qualified person as defined in this Policy, and those so selected shall then appoint a third qualified person to be determined in their sole discretion.
 - (b) In the event a party fails to select a qualified person as specified in subsection (a) above, the person selected by the other party shall be deemed acceptable to both parties and shall act as the facilitator, arbitrator, or mediator.
4. Costs. The costs of ADR shall be split equally. In the event an Owner fails to pay the Owner's share of the cost of the ADR, such amount shall be considered an Assessment against such Owner's Unit, and may be collected by the Association as an Assessment pursuant to the Declaration and Colorado Law.
5. Definitions. Unless otherwise defined in this Policy, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
6. Supplement to Law. The provisions of this Policy 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 Community.
7. 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.
8. Amendment. This Policy may be amended from time to time by the Board of Directors.

PRESIDENT'S

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**The Moorings Owners' Association, Inc., a
Colorado nonprofit corporation**

By: 
Its: President

**POLICY OF THE MOORINGS OWNERS' ASSOCIATION, INC.
REGARDING POLICY AND PROCEDURE FOR INSPECTION AND
COPYING OF ASSOCIATION RECORDS**

- SUBJECT:** Adoption of a procedure for the inspection and copying of Association records by Owners and retention of Association permanent records.
- PURPOSE:** To adopt a policy regarding an Owner's right to inspect and copy Association records. To adopt a standard procedure to be followed when an Owner chooses to inspect or copy Association records.
- AUTHORITY:** The Declaration, Articles of Incorporation, and Bylaws of the Association and Colorado law.
- EFFECTIVE DATE:** September 19, 2022
- RESOLUTION:** The Association hereby adopts the following Policy and Procedures:
1. Records for Inspection. The following are the records of the Association which shall be deemed to be the sole records of the Association for purposes of inspection by Owners:
 - (a) Records of receipts and expenditures affecting the operation and administration of the Association;
 - (b) Records of claims for construction defects and amounts received pursuant to settlement of any such claims;
 - (c) Minutes of all meetings of Owners;
 - (d) Minutes of all meetings of Board members (except records of executive sessions of the Board);
 - (e) Records of actions taken by the Owners without a meeting;

- (f) Records of actions taken by the Board without a meeting, including written communications and e-mails among Board members that are directly related to the action so taken;
- (g) Records of actions taken by any committee of the Board without a meeting;
- (h) A list of the names of the Owners in a form that permits preparation of a list of the names and mailing addresses of all Owners, as well as the number of votes of each Owner is entitled to vote;
- (i) The Association's governing documents which are comprised of:
 - (1) The declaration;
 - (2) The bylaws;
 - (3) The articles of incorporation;
 - (4) Any rules and regulations and/or design guidelines; and
 - (5) Any policies adopted by the Board, including the Association's responsible governance policies.
- (j) Financial statements for the last three years, which at a minimum shall include the balance sheet, the income/expense statement, and the amount held in reserves for the prior fiscal year;
- (k) Tax returns for the last seven years, to the extent available;
- (l) The operating budget for the current fiscal year;
- (m) A list, by unit type, of the Association's current assessments, including both regular and special assessments;
- (n) The result of the Association's most recent available financial audit or review, if any;

- (o) A list of the Association's insurance policies, which shall include the company names, policy limits, policy deductibles, additional named insured, and expiration dates of the policies listed;
- (p) A list of the names, e-mail addresses and mailing addresses of the current Board members and officers;
- (q) The most recent annual report delivered to the Secretary of State;
- (r) A ledger of each Owner's assessment account;
- (s) The most recent reserve study, if any;
- (t) Current written contracts and contracts for work performed for the Association within the prior two years;
- (u) Records of Board or committee actions to approve or deny any requests for design or architectural approval from Owners;
- (v) Ballots, proxies and other records related to voting by Owners for one year after the election, vote or action to which they relate;
- (w) Policies adopted by the Board;
- (x) All written communications sent to all Owners generally within the past three years;
- (y) A record showing the date on which the Association's fiscal year begins;
- (z) A list of the current amounts of all unique and extraordinary fees, assessments, and expenses that are chargeable by the Association in connection with the purchase or sale of a Unit and are not paid for through assessments, including transfer fees, record change fees, and the charge for status letter or statement of assessments due;

- (aa) All documents included in the Association's annual disclosures made pursuant to Section 38-33.3-209.4; and
- (bb) Any other records required in the Association Bylaws.

2 Exclusions. The Association may withhold from inspection and copying certain records as provided by Colorado law, and which shall not be deemed to be records of the Association, which shall include, but are not limited to:

- (a) Architectural drawings, plans and designs, unless released upon the written consent of the owner of such drawings, plans or designs;
- (b) Contracts, leases, bids or records related to transactions currently under negotiation;
- (c) Communications with legal counsel that are otherwise protected by the attorney-client privilege or the attorney work product doctrine;
- (d) Records of executive sessions of the Board;
- (e) Individual unit files other than those of the requesting Owners.

The Association *shall* withhold from inspection and copying the following records as provided by Colorado law:

- (a) Personnel, salary or medical records relating to Individuals;
- (b) Personal identification and account information of Owners, including bank account information, driver's license numbers, social security numbers, email addresses and telephone numbers. Notwithstanding the above, if an Owner or resident has provided the Association with their express written consent to disclose their email address or phone number, the Association may publish that information to other Owners or residents. If the Owner or resident

revokes their consent in writing, the Association shall cease making available for inspection the Owner's or residents' email address or phone number after the receipt of such revocation, but the Association need not change, retrieve or destroy any document or record published by the Association prior to the Association's receipt of such revocation.

3. Inspection/Copying Association Records. An Owner or their authorized agent is entitled to inspect and copy any of the books and records of the Association, as listed above, subject to the exclusions set forth above, upon submission of a written request to the Association describing with reasonable particularity the records sought. The Association shall provide access to the requested records by:

- (a) Making the requested records available for inspection and copying by the Owner within 10 days of the Association's receipt of such written request, which inspection shall be during regular business hours at Management Company; or
- (b) Making the requested records available for inspection and copying by the Owner during the next regularly scheduled Board meeting occurring within 30 days of the Owner's request; or
- (c) E-mailing the requested records to the Owner within 10 days of the Association's receipt of such written request, if so requested by the Owner.

4. Use of Records. Association records and the information contained within the records shall not be used for commercial purposes. Furthermore, while Owners are not required to state a purpose for any request to inspect the records of the Association, the membership list may not be used for any of the following without the consent of the Board:

- (a) To solicit money or property unless such money or property will be used solely to solicit the votes of the Owners in an election held by the Association;

- (b) For any commercial purpose; or
- (c) Sold to or purchased by any person.


5. Fees/Costs. Any Owner requesting copies of Association records shall be responsible for all actual costs incurred by the Association to copy such records for the Owner. The Association may require a deposit equal to the anticipated actual cost of the requested records. Failure to pay such deposit shall be valid grounds for denying an Owner copies of such records. If after payment of the deposit it is determined that the actual cost was more than the deposit, Owner shall pay such amount prior to delivery of the copies. If after payment of the deposit it is determined that the actual cost was less than the deposit, the difference shall be returned to the Owner with the copies.
6. Inspection. The Association reserves the right to have a third party present to observe during any inspection of record by an Owner or the Owner's representative.
7. Original. No Owner shall remove any original book or record of the Association from the place of inspection nor shall any Owner alter, destroy or mark in any manner, any original book or record of the Association.
8. Creation of Records. Nothing contained in this Policy shall be construed to require the Association to create records that do not exist or compile or synthesize information.
9. Electronic Inspection/Delivery of Records. The Board of Directors shall have sole discretion to determine whether electronic inspection or delivery of Association records is appropriate under the circumstances. To the extent the Board approves electronic inspection or delivery of records, such inspection and/or delivery remains subject to paying fees and costs as specified in Paragraph 5 above.
10. Definitions. Unless otherwise defined in this Policy, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

11. Supplement to Law. The provisions of this Policy 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 Community.
12. 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.
13. Amendment. This Policy may be amended from time to time by the Board of Directors.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of The Moorings Owners' Association, Inc., a Colorado nonprofit corporation, certifies the foregoing Policy was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on September 19, 2022 and in witness thereof, the undersigned has subscribed their name.

**The Moorings Owners' Association, Inc., a
Colorado nonprofit corporation**

By: 
Its: President

**POLICY OF THE MOORINGS OWNERS' ASSOCIATION, INC.
REGARDING RESERVE STUDY POLICY**

SUBJECT: Adoption of a policy related to when the Association will have a reserve study prepared, whether there is a funding plan for the work recommended by the reserve study, and whether the reserve study will be based on a physical analysis and a financial analysis.

PURPOSES: To provide for the creation and review of a reserve study and for the funding of the work recommended by the reserve study.

AUTHORITY: The Declaration, Articles of Incorporation, and Bylaws of the Association and Colorado law.

**EFFECTIVE
DATE:**

September 19, 2022

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. Baseline Reserve Study. The Association has conducted a baseline reserve study with both a physical analysis and a financial analysis as follows:

A. The physical analysis:

- (1) A component inventory identifying those portions of the community the Association is obligated to maintain, including the useful life of each component.
- (2) A condition assessment of each component on the component inventory by on-site inspection.
- (3) Estimates of the remaining useful life and replacement costs of each component.

B. The financial analysis:

- (1) An analysis of the funds currently held in the Association's reserve fund in relation to the expected needs of the Association per the reserve study.
- (2) A future funding plan to meet the requirements of the reserve study.

2. Update of the Reserve Study.

A. The Association shall cause the reserve study, including both the physical and financial analysis, to be evaluated by Reserve Specialist or other qualified individual at least every 5 years to determine increases in replacement costs and decreases in remaining useful lives of the components of the reserve study to adequately address changes to be made to the reserve study. In determining whether an update to the reserve study is needed more often than every 5 years, the Association shall consider the following:

- (1) Whether the Association added or replaced any significant common elements.
- (2) Whether the common elements sustained extreme wear and tear from harsh weather or lack of maintenance.
- (3) Whether local inflation for materials and labor has substantially increased.
- (4) Whether the Association has deferred any replacements or moved up replacements from the scheduled dates of replacement.
- (5) Whether reserve income and expenses have occurred as planned.
- (6) Whether there have been any new technological changes or improved product development that might result in a component change.

B. In determining whether a site visit is required in any given year in order to update the reserve study, the Association shall take into consideration the following:

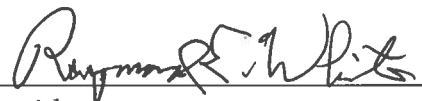
- (1) Any special or extraordinary issues facing the community (such as an increase in roof leaks or other maintenance issues).
- (2) Increased deterioration in any components beyond normal wear and tear.
- (3) Economic changes that affect the replacement cost of any component.
- (4) Whether routine maintenance of the components has been kept up with.

3. Funding of the Reserve Study. The reserve study will be funded through assessments. The reserve fund shall be funded at a level such that the reserve fund shall at all times maintain a positive balance.

PRESIDENT'S

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Colorado nonprofit corporation**

By: 
Its: President