

**COTTONWOOD PARK WEST HOMEOWNERS ASSOCIATION  
RESERVE STUDY AND FUNDING POLICY**

Effective Date: July 1, 2013

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

The Association hereby adopts the following policies and procedures for reserve studies and funding:

1. Reserve Study

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

B. The Association may have a reserve study performed. If performed, the Association may have the study updated on a periodic basis.

2. Reserve Funding

A. 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) reserve contribution fees from new owners, (5) a loan as may be obtained by the Association, and/or (6) any combination of the above.

3. Reserve Objective

The objective for reserve funds is to maintain, repair and replace those capital items for which the Association is responsible. In addition to emergency repairs, the reserve fund is meant to assist with completion of strategic capital improvement projects, maintained by the Board of Directors. Reserve funds shall be invested to achieve the following goals (in order of priority as listed): Preservation and safety of principal; Liquidity of funds to meet both expected and unexpected capital expenses; Maximize yield.

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 23<sup>rd</sup> day of May, 2013.

COTTONWOOD PARK WEST HOMEOWNERS  
ASSOCIATION., a Colorado nonprofit corporation,

By: Raull W Blid  
Its: President

ATTEST:

By: DeK Capel