

**RESOLUTION OF THE BOARD OF DIRECTORS OF
CEDARWOOD TOWNHOME CONDOMINIUMS
REGARDING POLICY FOR RESERVE STUDIES**

SUBJECT: Adoption of a policy for conducting reserve studies ("**Policy**") for Cedarwood Townhome Condominiums. ("**Association**").

PURPOSE: To adopt a policy for conducting reserve studies.

AUTHORITY: Cedarwood Townhome Condominiums ("**Declaration**"), and any other Governing Documents of the Association and Colorado Revised Statutes, 38-33.3-101 et seq. (the "**Act**").

EFFECTIVE DATE: September 24, 2015

RESOLUTION: The Association adopts the Policy as follows:

1. **Scope.** The Association is empowered to levy Assessments pursuant to the Declaration and the Act. A portion of the Assessments include monies to be used for reserves. All Assessments that are permitted to be retained by the Association under the Act as reserves will be placed in an account held for the benefit of the Association (the "**Reserve Account**").
2. **Purpose of the Reserve Fund.** The purpose of the Reserve Account is to responsibly fund and finance the projected periodic maintenance, repair and replacement of the Common Elements and for such other funding as the Board of Directors may determine is necessary or appropriate.
3. **Review and Control.** The Board of Directors will review the Reserve Account investments periodically to ensure that the funds are invested safely and shall make prudent adjustments as needed.
4. **Reserve Study.** In order to determine funding of the Reserve Account, the Board may in its sole discretion, but shall not be obligated to, determine, with the assistance and advice of professionals, the life expectancy of those portions of the community to be maintained by the Association and the anticipated costs of maintaining, replacing and improving those identified areas (hereinafter referred to as a "**Reserve Study**").
5. **Review of the Reserve Study.** The Board shall cause the Reserve Study, if any, and reserve funding to be reviewed and updated periodically, at least once every three years, to adjust and make changes in costs, inflation and yield on invested funds, plus modification, addition or deletion of components. An internal Reserve Study may satisfy the Reserve Study obligation.
6. **Definitions.** Any initially capitalized terms herein that are not otherwise defined, have the meanings given to them in the Declaration.

7. **Inconsistencies.** If and to the extent that any provision of this Policy is inconsistent with the Declaration or the Act, the applicable provisions of the Declaration or the Act will prevail, unless otherwise required by applicable law.

8. **Deviations.** The Board of Directors may deviate from the procedures set forth in this Policy if in its sole discretion such deviation is reasonable under the circumstances

9. **Supplement to Law.** The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the Act.

CERTIFICATION:

The undersigned, being the President of Cedarwood Townhome Condominiums, a Colorado nonprofit corporation, certifies that the foregoing Resolution was approved and adopted by the Board, on behalf of the Association, at a duly called and held meeting of the Board on September 24, 2015 and in witness thereof, the undersigned has subscribed his/her name.

**Cedarwood Townhome Condominiums, a
Colorado non-profit corporation**

By: Rob Boyle
Name: Rob Boyle
Title: President