

**RESOLUTION OF
THE COBBLE CREEK HOMEOWNERS ASSOCIATION, INC.
ADOPTING POLICY REGARDING RESERVE STUDY
Policy #9**

SUBJECT: Reserve Study policy.

PURPOSE: This policy identifies whether the Cobble Creek Homeowners 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 Cobble Creek Golf Community, LLC (the "Declaration"), Articles of Incorporation and Bylaws of the Association, any amendments thereto (the "Governing Documents") and Colorado law.

**EFFECTIVE
DATE:**

Dec. 5, 2013

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 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 like 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.

PRESIDENT'S CERTIFICATION: The undersigned, being the President of the Association, certifies that the foregoing Resolution was adopted by the Executive Board of the Association, at a duly called and held meeting of the Executive Board on 12/5/13 and in witness thereof, the undersigned has subscribed his/her name.

COBBLE/CREEK HOME OWNERS ASSOCIATION, INC.

By: *Robert George*
President

By: *Beth Willy*
Vice President

By: *Brenda Cofano*
SECRETARY