

**Reserve Study Policy**  
**of**  
**Minotaur Village Homeowners Association**

**A**  
**Condominium Community**  
**Located in the City of Lafayette**  
**County of Boulder**  
**State of Colorado**

**SUBJECT:** The Association's Reserve Study Policy.

**PURPOSE:** To adopt a standard procedure to be used in (1) obtaining a Reserve Study for portions of the community required to be maintained, repaired, replaced or improved by the Association and (2) developing a funding plan for any work recommended by the Reserve Study.

**AUTHORITY:** The Declaration of Covenants, Conditions, and Restrictions, Articles of Incorporation, and Bylaws of the Association and Colorado law.

**EFFECTIVE DATE:** October 19, 2009

**RESOLUTION:** The Association hereby adopts the following Reserve Study Policy:

1. Requirement to Obtain a Reserve Study. In order to make certain that the Association has saved the necessary funds to properly maintain the community, the Board of Directors shall have a formal "Reserve Study" conducted before the end of 2010. To ensure objectivity and competence, the Association shall hire a professional reserve study specialist to conduct the Reserve Study.
2. Review of the Reserve Study. The Reserve Study shall be formally updated by a reserve study specialist every five (5) years.
3. Contents of the Reserve Study. The Reserve Study shall include all the portions of the community that are the Association's responsibility to maintain, repair, replace or improve, have a limited useful life, and have a predictable remaining useful life (hereinafter the "Reserve Property"). The Reserve Study shall contain both a financial and physical analysis and shall (1) assign a reasonable useful life to each component of the Reserve Property, based on its current condition, (2) assign a reasonable cost of repair or replacement to each component, and (3) recommend a reserve contribution rate based on current reserves.
4. Funding Plan for Work Recommended by the Reserve Study. The Board of Directors shall adopt a plan to fund the work recommended by the Reserve Study. The goal of the plan shall be to establish a reserve account in a dollar amount sufficient to properly maintain, repair, replace, and improve the Reserve Property without the need for special assessments. To achieve this goal, the reserve account shall be funded at a level to always have a positive balance. The primary source of funding for the reserve account shall be from the Association's annual assessments. The yearly contribution rate to the reserve account shall be included in the annual budget of the Association.
5. Permitted Uses of Reserve Funds. Money in the reserve account is to be used only for the maintenance, repair, replacement, or improvement of the Reserve Property. Notwithstanding the above, the Board of Directors may borrow money from the reserve account for emergencies or unexpected expenditures.


However, the money borrowed must be repaid to the reserve account within a reasonable time period, not to exceed five (5) years.

6. Investment of Reserve Funds. Reserve funds shall be invested according to the Association's reserve fund investment policy.
7. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration of Covenants, Conditions, and Restrictions shall have the same meaning herein.
8. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration of Covenants, Conditions, and Restrictions and the law of the State of Colorado governing the Project.
9. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.
10. 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 Minotaur Village Homeowners Association, a Colorado nonprofit corporation, certifies that the foregoing Resolution 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 October 19, 2009 and in witness thereof, the undersigned has subscribed his/her name.

**MINOTAUR VILLAGE HOMEOWNERS ASSOCIATION**  
a Colorado non-profit corporation,



By: \_\_\_\_\_  
President