

**DOUGLASS RANCH PROPERTY OWNERS ASSOCIATION, INC.**  
**POLICY AND PROCEDURE IX**  
**RESERVE STUDY**

Adopted November 19, 2023

The following Policy Regarding Reserve Study has been adopted by Douglass Ranch Property Owners Association, Inc. (the “Association”) pursuant to the provisions of C.R.S. § 38-33.3-209.5, at a regular meeting of the Board of Directors (the “Board”).

**Purpose.** The purpose of the Reserve Fund shall be to responsibly fund and finance the projected repair and replacement of those portions of the Community for which the Association is responsible and for such other funding as the Board of Directors may determine. The portions of the Community for which the Association is responsible typically have limited but reasonably predictable useful lives.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopts the following policy governing the Reserve Study:

1. **Reserve Study.** To determine funding of the Reserve Fund, the Board of Directors may determine, with the assistance and advice of professionals, or by qualified staff or volunteers within the association, 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”).
  - a. To determine a funding plan for any work recommended by the reserve study and, if so, the projected sources of funding for the work; and whether the reserve study is based on a physical analysis and financial analysis.
  - b. To establish a reserve fund to properly maintain areas in the Community that are the responsibility of the Association, to comply with state statutes, 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 best optimal management of reserve funds.
2. **Review of Reserve Study.** The Board of Directors 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, account for inflation and interest yield on invested funds, and allow for modification, addition, or deletion of components. The Reserve Study shall be reviewed after each major maintenance or improvement project to reassess the proper amount of the funds to be held in reserve for the intended purposes of the fund. The Reserve Fund may be reduced, temporarily, to reflect the service life of the improvement.
3. **Funding.** The Reserve Fund shall be funded through collection of annual dues. The amount of the fund shall be adjusted in accordance with the Reserve Study after each study has been completed.
4. **Disbursements.** Moneys disbursed from the Reserve Fund shall be used for projects to maintain, repair, replace, or improve those portions of the Community to be maintained by the Association.

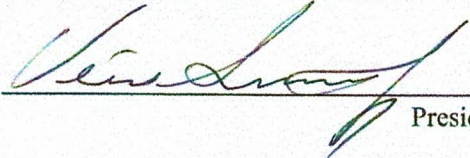
5. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

6. 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 law of the State of Colorado governing the community.

7. 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 Douglass Ranch Property Owners Association, Inc., a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on the 19 day of November, 2023, effective the 06 day of December, 2023, and in witness thereof, the undersigned has subscribed his/her name.

Douglass Ranch Property Owners Association, Inc.

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