

DOUGLASS RANCH PROPERTY OWNERS ASSOCIATION, INC.

POLICY AND PROCEDURE IX

RESERVE STUDY

Adopted: January 27, 2023

The following policy and procedure was adopted by the Douglass Ranch Property Owners Association, Inc. ("Association"), pursuant to Colorado statutes, the Colorado Common Interest Ownership Act regarding the Association's procedure relevant to reserve studies.

PURPOSE

The purpose of this policy is to provide notice to owners of the Association's position with regard to a reserve study for the portions of the community maintained, repaired, replaced, and improved by the Association.

A reserve study is an examination conducted for the purpose of analyzing any probable long-term expenses. The reserve analysis is then used to estimate the association's reserve needs as accurately as possible. Colorado law dictates that reserve fund monies must be separate from the POA's operating income and expenses and the net flow is kept in an equity account that balances with the reserve fund. Projects paid for by the reserve fund must be approved by the board and ratified by the POA membership prior to starting a project.

POLICY AND PROCEDURE

1. The Board of Directors of the Association adopted an updated Reserve Study at their Special Meeting of the Board of Directors on December 22, 2022.
2. The Reserve Study includes ALL assets owned by the Association
 - a. The Reserve study includes assumptions that document how the total amount needed was determined.
 - b. The Reserve Study includes projects to be performed by Elk Creek Fire District maintaining all open space and extensions of open space to provide wildfire protection around Douglass Ranch in a safe manner.
3. The Board shall review the Reserve Study on an annual basis to ensure the cost data is current.
4. The money held in the Reserve study account shall only be used to fund projects eligible per this Policy.
5. Any funds allocated must be approved by a majority vote of the community.
6. The Association shall establish and maintain an adequate reserve fund for maintenance, repair, and improvement of those items required to be maintained, repaired, replaced, and improved by the Association as described in the most current reserve study.

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 per Article III, Section 3.3 of the Declaration of Protective Covenants Conditions and Restrictions for Douglass Ranch currently in effect at a duly called and held meeting of the Board of Directors on January 27, 2023, and in witness thereof, the undersigned has subscribed his/her name.

**DOUGLASS RANCH PROPERTY
OWNERS ASSOCIATION, INC.,**
a Colorado non-profit corporation

By: 

President