

GUNNISON RIVER HOMEOWNERS ASSOCIATION
POLICY REGARDING RESERVE FUNDS
C.R.S. §38-33.3-209.5(1)(b)(VI)
& C.R.S. §38-33.3-209.5(1)(b)(IX)

SUBJECT: Conducting Reserve Funds and Studies

PURPOSE: To adopt a policy for conducting reserve funds and studies

AUTHORITY: The Declaration, Articles and Bylaws of the Association and Colorado Law ("Governing Documents")

EFFECTIVE DATE: On the date approved by the Board of Directors

RESOLUTION: The Association hereby adopts the following procedures and policies regarding conducting reserve funds and studies:

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.

3. Reserve and Control. The Board of Directors will review the Reserve Account investments periodically to ensure that the funds are receiving competitive yields and shall make prudent adjustments as needed.

4. Reserve Study. In order to determine funding of the Reserve Account, the Board of Directors 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 ("Reserve Study").

5. Review of the 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, inflation, and interest yield on invested funds, plus modification, addition, or deletion of components. An internal Reserve Study review 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 are 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 Policy are in addition to and in supplement of the terms and provisions of the Governing Documents and the laws of the State of Colorado.

10. 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 Gunnison River Homeowners Association, a Colorado nonprofit corporation, certifies that the foregoing Resolution was approved and adopted by the Board of the Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on 9/30/2022 and in witness thereof, the undersigned has subscribed his/her name.

GUNNISON RIVER HOMEOWNERS
ASSOCIATION, a Colorado nonprofit
corporation

By: 
_____, President