

Reserve Study Policy

Park Washington Condominiums Association

Pursuant to the Park Washington Condominiums Association's (the "Association") Adoption and Amendment of Policies, Procedures and Rules and Regulations Policy, the Association can adopt a new policy at any time by a majority vote of the Managers presented at any meeting of the Managers.

All terms not defined herein shall have the definition provided in the Declaration.

The Association's Board of Directors adopts the following Reserve Study Policy pursuant to the requirement of Colorado House Bill 1359, which went into effective on August 5, 2009, that requires all common interest communities to adopt a policy that addresses the following:

- a) When a reserve study will be initially performed and how often it will be updated;
- b) Whether the reserve study will be based on a physical and financial analysis; and
- c) Whether the association has a plan for funding the work recommended in the reserve study and if so, the possible sources including use of regular assessments, special assessments, borrowing, etc.

The Association's Board of Directors adopts the following Reserve Study Policy effective

16 day of March, 2011:

- The Association to have initial reserve study performed within two (2) years of adoption of this policy.
- The initial reserve study and all future reserve studies and updates shall include both a physical and financial analysis. The physical analysis will include components that the Association is responsible for maintaining with the age, remaining useful life, and the quantity. The financial analysis will include replacement cost of the components, and what funds are expected to be needed to perform these capital improvements.
- The reserve study along with any updates will be performed by a Reserve Specialist as certified by the Community Association Institute and or an Engineer.
- The Association will have the reserve study updated at least every three (3) years to include updates to the 1) remaining useful life, 2) costs and 3) beginning balance funding compared to funding needs. The updates should also reflect 1) any projects that have been performed, 2) any projects that were deferred based on the most recent reserve study recommendations and 3) new components or changes in components.
- The reserves will be funded by any of the following:
 - 1) Assessments levied by the Association, as part of the adoption of the regular budget, the Board shall include an amount which, in its reasonable business judgment, will establish and maintain an adequate reserve fund or the expansion, modification or replacement or capital components of the common elements based on the age, remaining useful life, and the quantity and replacement cost thereof; and

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- 2) Special assessments, as needed.

In the event of conflict between the Reserve Study Policy and the provisions of the Association's Declaration, Articles of Incorporation or the Bylaws, the provisions of the Declaration, Articles of Incorporation, the Bylaws and the Reserve Study Policy shall prevail in that order.

The undersigned, the President of the Board of Directors of the Association, hereby signs to confirm that the above policy was adopted by the Board of Directors on

16 day of March, 2011.


Signature

BRENDA L. HENRY
Print: