

**THE NINETEENTH FAIRWAY TOWNHOUSE CONDOMINIUMS ASSOCIATION  
POLICY REGARDING  
ADOPTION OF POLICIES, PROCEDURES, RULES, REGULATIONS, OR  
GUIDELINES**

Effective Date: \_\_\_\_\_, 201\_

In compliance with the Colorado Common Interest Ownership Act, the Board of Directors adopts a uniform and systematic policy and procedure for the adoption of policies, procedures, rules, regulations, or guidelines.

The Association hereby adopts the following policy for procedures for the adoption of new policies, procedures, rules, regulations or guidelines:

1. Subject. The adoption of a procedure to be followed when adopting policies, procedures, rules, regulations or guidelines (hereinafter "Policy" or "Policies") regarding the operation of the Association.

2. Purpose. To adopt a standard procedure to be used in developing Policies in order to facilitate the efficient operation of the Association and to afford Owners an opportunity to provide input and comments on such Policies prior to adoption.

3. Authority. The Declaration, Articles of Incorporation, Bylaws of the Association, and Colorado law.

4. Resolution. The Association hereby adopts the following procedures to be followed in adopting Policies of the Association:

(a) Scope. The Board of Directors of the Association may, from time to time, adopt certain Policies as may be necessary to facilitate the efficient operation of the Association, including the clarification of ambiguous provisions in other documents, or as may be required by law. In order to encourage Owner participation in the development of such Policies and to ensure that such Policies are necessary and properly organized, the Board shall follow the following procedures when adopting any Policy.

(b) Drafting Procedure. The Board shall consider the following in drafting the Policy:

i. Whether the governing documents or Colorado law grants the Board the authority to adopt such a Policy;

ii. The need for such Policy based upon the scope and importance of the issue and whether the governing documents adequately address the issue; and

iii. The immediate and long-term impact and implications of the Policy.

(c) Notice and Comment. A copy of the proposed Policy shall be provided to all Owners, posted within the Community, or posted on the Association's website (if Association has website) and Owners shall be allowed a minimum of 30 days to provide comment and/or feedback on the proposed Policy.

(d) Emergency. The Board may forego the notice and opportunity to comment in the event the Board determines in its sole discretion that providing notice and opportunity to comment is not practical given the emergency nature of the Policy.

(e) Adoption Procedure. After the period for Owner comment expires, the Board may adopt any Policy. Upon adoption of a Policy, the Policy or notice of such Policy, including the effective date shall be provided to all Owners by any reasonable method as determined in the sole discretion of the Board, including but not limited to posting on the Association's website.

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


(g) 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 Project.

(h) 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.

(i) Amendment. This Procedure may be amended from time to time by the Board of Directors.

IN WITNESS WHEREOF, the undersigned certify that this adoption of policies, procedures, rules, regulations, or guidelines policy and procedure was adopted by resolution of the Board of Directors of the Association on this 1 day of June, 2016

THE NINETEENTH FAIRWAY TOWNHOUSE  
CONDOMINIUMS ASSOCIATION  
a Colorado nonprofit corporation,

  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

**THE NINETEENTH FAIRWAY TOWNHOUSE CONDOMINIUMS ASSOCIATION  
POLICY REGARDING  
ADOPTING PROCEDURES FOR THE CONDUCT OF MEETINGS**

Effective Date: \_\_\_\_\_, 201\_

In compliance with the Colorado Common Interest Ownership Act, the Board of Directors adopts a uniform and systematic procedure for the conduct of meetings.

The Association hereby adopts the following policy for the conduct of meetings:

1. Scope. Adoption of a policy and procedures for conducting Owner and Board meetings.
2. Purpose. To facilitate the efficient operation of Owner and Board meetings and to afford Owners an opportunity to provide input and comments on decisions affecting the community.
3. Authority. The Declaration, Articles of the Association, Bylaws and Colorado law.
4. Resolution. The Association hereby adopts the following policy and procedure regarding the conduct of meetings:

(a) Owner Meetings. Meetings of the Owners of the Association shall be called pursuant to the Bylaws of the Association.

(i) Notice.

(1) In addition to any notice required in the Bylaws, notice of any meeting of the Owners shall be conspicuously posted on the notice board at the Association within the community if such exists, or at the/one of the entrance(s) to the community at least one week prior to each such meeting, or as may otherwise be required by Colorado law.

(2) The Association shall also post notice on its website, if any, of all meetings. Such notice shall be posted at least one week prior to such meeting.

(3) If any Owner has provided the Association with an email address, the Association may deem that such Owner has requested that the Association provide notice via email and, if the Association has such capability, shall send notice of all Owner meetings to such Owner at the email address provided as soon as possible after notice is provided pursuant to the Bylaws.

(ii) Conduct.

(1) All Owner meetings shall be governed by the following rules of the conduct and order:

(A) The President of the Association or designee shall chair all Owner meetings.

(B) All Owners and persons who attend a meeting of the Owners will sign in, present any proxies at signing in and receive ballots as appropriate. (See section below regarding voting). Owner meetings shall be closed to the public, only Owners or Owner's designee(s) shall attend unless the Chair proscribes otherwise.

(C) Any person desiring to speak shall sign up on the list provided at check in and indicate if he/she is for or against an agenda item.

(D) Anyone wishing to speak must first be recognized by the Chair.

(E) Only one person may speak at a time.

(F) Each person who speaks shall first state his/her name and Unit address.

(G) Any person who is represented at the meeting by another person, as indicated by a written instrument, will be permitted to have such person speak for him/her according to the above procedures.

(H) Each person recognized by the Chair addressing the meeting shall be permitted to speak without interruption from anyone as long as these rules are followed.

(I) Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting. Comments are to be relevant to the purpose of the meeting. Persons violating this shall be requested to leave the meeting and will not be recognized by the Chair to address the meeting.

(J) Each person recognized by the Chair shall be given up to a maximum of five minutes to make a statement or to ask questions, longer if allowed by the meeting chairman. The Board may decide whether or not to answer questions during the meeting. Each person may speak only once per agenda item. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased by the Chair, but shall be uniform for all persons addressing the meeting.

(K) All actions and/or decisions will require a first and second motion, then discussion, then vote by call of the question.

(L) Once a vote has been taken, there will be no further discussion regarding that topic.

(M) So as to allow for and encourage full discussion by Owners, audio may be kept only to assist in the Secretary's preparation of minutes and then recording shall be erased (see 4(b)(i)(1)(K)) below. Minutes of actions taken shall be kept by the Association.

(N) Anyone disrupting the meeting, as determined by the Chair, shall be asked to "come to order." Anyone who does not come to order will be requested to immediately leave the meeting and shall not be recognized by the Chair to address the meeting.

(O) The Chair may establish such additional rules of order as may be necessary from time to time.

(iii) Voting. All votes taken at Owner meetings shall be as follows:



(1) Election of Board members shall be conducted by open ballot, unless one or more Owners request a secret ballot or required by statute, such request to be at least ten (10) days prior to such meeting. Each Owner entitled to vote pursuant to the Bylaws shall receive a ballot. The ballot shall contain no identifying information concerning the ballot holder. In the event an Owner holds a proxy for another Owner, upon presentation of such proxy to the Secretary of the Association or the Secretary's designee, the Owner shall receive a secret ballot to cast the vote of the Owner who provided the proxy. The proxy shall be kept and retained by the Association.

(2) All other votes taken at a meeting of the Owners shall be taken in such method as determined by the Board of Directors including acclamation, by hand, by voice or by ballot, unless otherwise required by law.

(3) Written ballots shall be counted by a neutral third party, excluding the legal counsel, or by an Owner(s) who is not a candidate selected randomly from a pool of two or more Owners as well as the Association's manager and ballots then open for Member inspection if challenged (inspection at Member's expense). The Chair shall specify the procedure for randomly selecting the Owner(s). Such procedure shall ensure that the Owner(s) selected is done so without being chosen by the Chair, Board of Directors or candidates.

(4) The individual(s) counting the ballots shall report the results of the vote to the Chair by indicating how many votes were cast for each individual or how many votes were cast in favor or against any issue.

(iv) Proxies. Proxies may be given by any Owner as allowed by 3.8(b) of the Bylaws. All proxies shall be reviewed by the Association's Secretary or designee as to the following:

- (1) Validity of the signature;
- (2) Signatory's authority to sign for the Owner;
- (3) Authority of the Owner to vote;
- (4) Conflicting proxies; and
- (5) Expiration of the proxy.

(b) Board Meetings. Meetings of the Board of Directors of the Association shall be called pursuant to the Bylaws of the Association.

(i) Conduct.

(1) All Board meetings shall be governed by the following rules of conduct and order:

(A) The President of the Association, or designee, shall chair all Board meetings

(B) All persons who attend a meeting of the Board shall be required to sign in, listing their name and Unit address. Board meetings shall be closed to the public, only Owners or Owner's designee(s) shall attend unless the Chair proscribes otherwise.

(C) All Owners will be given an opportunity to speak as to any matter or ask questions of the Board during the Owner forum at the beginning of the meeting. Any Owner wishing to speak during the Owner forum shall so indicate so at the time of sign in.

(D) Anyone desiring to speak shall first be recognized by the Chair.

(E) Only one person may speak at a time.

(F) Each person recognized by the Chair speaking shall first state his/her name and Unit address.

(G) Any person who is represented by another person at the meeting, as indicated by a written instrument, shall be permitted to have such person speak for them.

(H) Each person recognized by the Chair addressing the Board shall be permitted to speak without interruption from anyone as long as these rules are followed.

(I) Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting. Comments are to be relevant to the purpose of the meeting or issue at hand. Persons violating this shall be requested to leave the meeting and will not be recognized by the Chair to address the meeting.

(J) Each person recognized by the Chair shall be given up to a maximum of three minutes to speak or to ask questions, although questions may not be answered until a later date. Each person may speak only once during the Owner forum and once on any other issue prior to a vote by the Board on such issue. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased by the Chair but shall be uniform for all persons addressing the meeting.

(K) No meeting of the Board may be audio, video or otherwise recorded except by the Board to aid in the preparation of minutes. Minutes of actions taken shall be kept by the Association.

(L) Anyone disrupting the meeting, as determined by the Chair, shall be asked to "come to order." Anyone who does not come to order shall be requested to immediately leave the meeting.

(ii) Owner Input. After a motion and second has been made on any matter to be discussed, but prior to vote by the Directors, Owners present at such time may be afforded an opportunity to speak on the motion as follows:

(1) The Chair will ask those Owners present to indicate by a show of hands who wishes to speak in favor or against the motion. The Chair will then determine a reasonable number of persons who will be permitted to speak in favor of and against the motion and for how long each person will be permitted to

speaking. The Chair shall also announce the procedure for who shall be permitted to speak if not everyone desiring to speak will be permitted to speak.

(2) Following Owner input, the Chair will declare Owner input closed and there shall be no further Owner participation on the motion at hand unless a majority of the Board of Directors votes to open the discussion to further Owner participation.

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

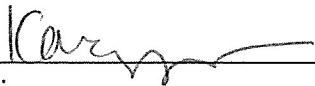
6. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and law of the State of Colorado governing the Project.

7. 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.

8. Amendment. This Policy may be amended at any time by the Board of Directors.

IN WITNESS WHEREOF, the undersigned certify that this policy and procedure for the conduct of meetings was adopted by resolution of the Board of Directors of the Association on this \_\_\_\_ day of \_\_\_\_\_, 201\_\_.

THE NINETEENTH FAIRWAY TOWNHOUSE  
CONDOMINIUMS ASSOCIATION  
a Colorado nonprofit corporation,

  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

**THE NINETEENTH FAIRWAY TOWNHOUSE CONDOMINIUM ASSOCIATION  
POLICY REGARDING  
PROCEDURE FOR INSPECTION AND COPYING OF ASSOCIATION RECORDS**

Effective Date: \_\_\_\_\_, 201\_

In compliance with the Colorado Common Interest Ownership Act, the Board of Directors adopts a policy and procedure for inspection and copying of Association records.

The Association hereby adopts the following policy for inspection and copying of Association records:

1. Scope. Adoption of a procedure for the inspection and copying on Association records by Owners and retention of Association permanent records.
2. Purposes. To adopt a policy regarding an Owner's right to inspect and copy Association records and identification of records to be permanently retained by the Association. To adopt a standard procedure to be followed when an Owner chooses to inspect or copy Association records.
3. Authority. The Declaration, Articles of Incorporation and Bylaws of the Association and Colorado law.
4. Resolution. The Association hereby adopts the following Policy and Procedures:
  - (a) The Association shall permanently retain the following records as required by Colorado law:
    - (i) Minutes of all Board and Owner meetings
    - (ii) All actions taken by the Board or Owners by written ballot in lieu of a meeting
    - (iii) All actions taken by a committee on behalf of the Board instead of the Board acting on behalf of the Association
    - (iv) All waivers of the notice requirements for Owner meetings, Board member meetings, or committee meetings
  - (b) Inspection/Copying Association Records. An Owner or his/her authorized agent is entitled to inspect and copy any of the books and records of the Association, subject to the exclusions, conditions and requirements set forth below:
    - (i) The inspection and/or copying of the records of the Association shall be at the Owner's expense;
    - (ii) The inspection and/or copying of the records of the Association shall be conducted during the hours of 10:00 a.m. to 4:00 p.m., Monday through Friday, at the Association's management office;
    - (iii) The Owner shall give the Association's managing agent a written demand, stating the purpose for which the inspection and/or copying is sought, at

least ten business days before the date on which the Owner wishes to inspect and/or copy such records.

(iv) The Association may delay inspection for reasons of pre-inspection of the requested records for Personally Identifiable Information.

5. Proper Purpose/Limitation. Association records shall not be used by any Owner for:

- (a) Any purpose unrelated to an Owner's interest as an Owner;
- (b) The purpose of soliciting money or property unless such money or property will be used solely to solicit the votes of the Owners in an election to be held by the Association;
- (c) Any commercial purpose;
- (d) For the purpose of giving, selling, or distributing such Association records to any person; or
- (e) Any improper purpose as determined in the sole discretion of the Board.

6. Exclusions. The following records shall NOT be available for inspection and/or copying as they are deemed confidential:

- (a) Attorney-client privileged documents and records, unless the Board decides to disclose such communications at an open meeting;
- (b) Any documents that are confidential under constitutional, statutory or judicially imposed requirements; and
- (c) Any documents, or information contained in such documents, disclosure of which would constitute an unwarranted invasion of individual privacy, including but not limited to social security numbers, dates of birth, personal bank account information, and driver's license numbers (Personally Identifiable Information).

7. Fees/Costs. Any Owner requesting copies of Association records shall be responsible for all actual costs incurred by the Association, which have been determined to be \$.50 per page, and \$50.00 per hour for the cost to search, retrieve, and copy the record(s) requested. For the copy requests estimated to be \$50.00 or more, the Association may require a deposit equal to the anticipated actual cost of the requested records. Failure to pay such deposit shall be valid grounds for denying an Owner any copy/copies of such records. If after payment of the deposit it is determined that the actual cost was more than the deposit, Owner shall pay such amount prior to delivery of the copies. If after payment of the deposit it is determined that the actual cost was less than the deposit, the difference shall be returned to the Owner with the copies. There shall be no cost to any Owner accessing records which are required to be disclosed by Colorado law at no cost to Owners.

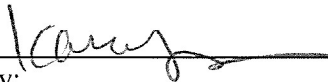
8. Inspection. The Association reserves the right to have a third party present to observe during any inspection of record by an Owner or the Owner's representative.

9. Original. No Owner shall remove any original book or record of the Association from the place of inspection nor shall any Owner alter, destroy or mark in any manner, any original book or record of the Association.

10. Creation of Records. Nothing contained in this Policy shall be construed to nor require the Association to create records that do not exist or compile records in a particular format or order.
11. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
12. 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 Project.
13. 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.
14. Amendment. This policy may be amended from time to time by the Board of Directors.

IN WITNESS WHEREOF, the undersigned certify that this policy and procedure for inspection and copying of Association records was adopted by resolution of the Board of Directors of the Association on this \_\_\_\_ day of \_\_\_\_\_, 201\_\_.

THE NINETEENTH FAIRWAY TOWNHOUSE  
CONDOMINIUMS ASSOCIATION  
a Colorado nonprofit corporation,

By:  \_\_\_\_\_  
Its: \_\_\_\_\_

**THE NINETEENTH FAIRWAY TOWNHOUSE CONDOMINIUMS ASSOCIATION  
POLICY REGARDING  
PROCEDURES FOR DISPUTE RESOLUTION**

Effective Date: \_\_\_\_\_, 201\_\_

In compliance with the Colorado Common Interest Ownership Act, the Board of Directors adopts a uniform and systematic dispute resolution policy and procedure.

The Association hereby adopts the following policies and procedures for dispute resolution:

1. Alternative Dispute Resolution Procedures. Alternative methods of dispute resolution to avoid litigation encouraged by the Board of Directors include negotiation and mediation as required by the Declaration at Article 18. The Association encourages Owners or residents with disputes to resolve such disputes without court proceedings. The Association will take reasonable steps to facilitate negotiation or mediation between Owners and/or residents, but will have no responsibility for any costs incurred by the parties to the dispute resolution process. For any step in the dispute resolution process, the parties are not waiving their right to employ legal counsel at their own expense to assist them.

A. Required dispute resolution procedure. Prior to filing a lawsuit against the Association, the Board, or any officer, director, committee member, or agent thereof, of the Association, an Owner must comply with the following procedures.

B. Discretionary dispute resolution procedures. The procedures set forth below may be used in disputes between Owners and non-owner residents/tenants. At its discretion, the Board of Directors may utilize the procedures set forth below to resolve disputes with Owners prior to filing litigation.

(i) Negotiation. A request for dispute resolution by negotiation may be initiated by an Owner or the Association. Any such request shall be in writing stating the nature and details of the dispute and shall be personally delivered to the other party. So long as the other party agrees to negotiate, a meeting shall be held between the parties to begin a good faith attempt to negotiate a resolution not less than 14 or more than 30 days of receipt of such request, unless otherwise extended by written agreement. Through negotiation, the parties will communicate directly with each other in an effort to reach an agreement that serves the interests of both parties. Should the dispute pertain to property issues, each party will be granted the right to inspect the alleged defects or problems at a time convenient to everyone involved.

(ii) Mediation. If the dispute is not resolved by negotiation, any party may request in writing that the issue be submitted to mediation. If the parties agree to mediate the dispute prior to seeking other remedies, they shall participate in good faith in the mediation. The role of the mediator is to facilitate further negotiation between the parties. The mediator will not have power to decide how to resolve the dispute but will

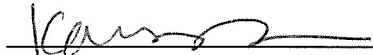


use recognized, accepted mediation techniques to assist the parties in making that decision. The mediator shall be selected by a consensus of the parties involved within 14 days of the receipt of the request. Any cost of mediation will be shared equally among the parties unless they and the mediator agree otherwise.

2. Anything in this policy which may be contrary to or in conflict with the Declaration, Alternative Dispute Resolution, except as to matters excluded from the requirements of such Article, is subject to and controlled by the terms of Article 18 of the Declaration.

IN WITNESS WHEREOF, the undersigned certify that this dispute resolution policy and procedure was adopted by resolution of the Board of Directors of the Association on this \_\_\_\_ day of \_\_\_\_\_, 201\_\_.

THE NINETEENTH FAIRWAY TOWNHOUSE  
CONDOMINIUMS ASSOCIATION  
a Colorado nonprofit corporation,

\_\_\_\_\_

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

Its: \_\_\_\_\_

**THE NINETEENTH FAIRWAY TOWNHOUSE CONDOMINIUMS ASSOCIATION**  
**POLICY REGARDING**  
**INVESTMENT OF RESERVE POLICY**

Effective Date: \_\_\_\_\_, 201\_\_

In compliance with the Colorado Common Interest Ownership Act, the Board of Directors adopts a policy for the investment of reserve funds.

The Association hereby adopts the following policy for investment of reserve funds:

1. Scope. In order to properly maintain areas in the Community that are the responsibility of the Association, to comply with state statutes, to manager reserve funds 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 investment of reserve funds.
2. Purpose of the Reserve Fund. The purpose of the Reserve Fund shall be to responsibly fund and finance the projected repair and replacement of those portions of the Community that the Association is responsible for and for such other funding as the Board of Directors may, from time to time, determine. The portions of the Community that the Association is responsible for typically have limited but reasonably predictable useful life spans.
3. Investment of Reserves. The Board of Directors of the Association shall invest funds held in the Reserve Fund account to generate revenue that will accrue to the Reserve Fund account balance pursuant too the following goals, criteria and policies, listed in order of importance:
  - (a) Safety of Principal. Promote and ensure the preservation of the Reserve Fund's principal.
  - (b) Liquidity and Accessibility. Structure maturities to ensure availability of assets for projected or unexpected expenditures.
  - (c) Minimal Costs. Minimize investment costs (redemption fees, commissions and other transactional costs).
  - (d) Diversify. Mitigate the effects of interest rate volatility upon reserve assets.
  - (e) Return. Invest funds to seek the highest level of return.
4. Limitation on Investments. Unless otherwise approved by the Board, all investments will be FDIC (Federal Deposit Insurance Corporation) insured, and/or guaranteed by the United States Government.

5. Investment Strategy. The investment strategy of the Association should emphasize a long-term outlook by the diversifying the maturity dates of fixed-income instruments within the portfolio utilizing a laddered investment approach.

6. Independent Professional Investment Assistance. The Board of Directors of the Association may hire a qualified investment counselor to assist in formulating a specific investment strategy.

7. Review and Control. The Board shall review Reserve Fund investments periodically to ensure that the funds are receiving competitive yields and shall make prudent adjustments as needed.

8. Reserve Study. In order to determine funding of the Reserve Account, the Board may determine, with the assistance and advise 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 indentified areas (hereinafter referred to as a "Reserve Study").

9. Review of Reserve Study. The Board shall cause the Reserve Study, if any and reserve funding to be reviewed and updated periodically, at least once every five years to adjust and make changes in costs, inflation, and interest yield on the invested funds, plus modification, addition or deletion of components.

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

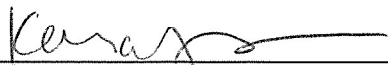
11. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement to the terms and provisions of the Declaration and the law of the State of Colorado governing the community.

12. 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.

13. Amendment. This policy may be amended from time to time by the Board of Directors.

IN WITNESS WHEREOF, the undersigned certify that this investment of reserves policy was adopted by resolution of the Board of Directors of the Association on this \_\_\_\_ day of \_\_\_\_\_, 201\_\_.

THE NINETEENTH FAIRWAY TOWNHOUSE  
CONDOMINIUMS ASSOCIATION  
a Colorado nonprofit corporation,



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

Its: \_\_\_\_\_

**THE NINETEENTH FAIRWAY TOWNHOUSE CONDOMINIUMS ASSOCIATION  
POLICY REGARDING  
POLICY AND PROCEDURE FOR RESERVE STUDY**

Effective Date: \_\_\_\_\_, 201\_\_

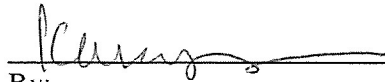
In compliance with the Colorado Common Interest Ownership Act, the Board of Directors adopts a policy and procedure for conducting a reserve study.

The Association hereby adopts the following policy and procedures for conducting a reserve study:

1. Purpose of the Reserve Study. The purpose of the Reserve study shall be to maintain portions of the Community and to set proper reserves by conducting and updating the Association's Reserve Study at periodic times.
3. Resolution. It is the policy of the Association to conduct a reserve study for portions of the Community which are maintained, repaired, replaced and improved by the Association in the following manner:
  - a. The Association will conduct internally, or request preparation externally, at the Board's discretion, a reserve study based upon the Community's needs.
  - b. The individual or individuals conducting the internal reserve study will be appointed by the Board and may or may not have professional experience in conducting such a study. If an external study is to be completed, the Board will proceed with its normal bidding process and award the contract for such services based upon their analysis and consideration;
  - c. The Board will determine whether the study is to be based on a physical analysis and/or a financial analysis at the Board's discretion.
  - d. The reserve study will indicate whether there is a funding plan and if so, the Association will follow the adopted Investment Policy of the Association.
  - e. Sources of funding will generally consist of assessments and maintenance fees. In the event of an urgent and/or unforeseen under funded reserve expenditure, the Board may consider a special assessment or obtaining a loan as approved based upon the requirements of the Association's governing documents.
4. Amendment. This policy may be amended from time to time by the Board of Directors.

IN WITNESS WHEREOF, the undersigned certify that this policy and procedure for conducting a reserve study was adopted by resolution of the Board of Directors of the Association on this \_\_\_\_ day of \_\_\_\_\_, 201\_.

THE NINETEENTH FAIRWAY TOWNHOUSE  
CONDOMINIUMS ASSOCIATION  
a Colorado nonprofit corporation,

\_\_\_\_\_

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

Its: \_\_\_\_\_