

**THE MOUNTAIN OAKS HOMEOWNERS ASSOCIATION**  
**POLICY ON RESERVE STUDIES AND FUNDING**

Effective Date: 01/21/2017

The following Policy on Reserve Studies and Funding applies to all owners of lots located at Mountain Oaks Subdivision Filing Nos. 1,2,3, & 4 (“Owners”), and is hereby adopted by the Board of Directors of Mountain Oaks Homeowners Association (“Association”):

The Board of Directors desires to adopt uniform and systematic policy regarding reserve studies and funding as required under House Bill 09-1359.

The Association hereby adopts the following policy on reserve studies and funding:

1. Reserve Study Policy. MOHA is not required under the community’s governing documents to have a reserve study. MOHA has determined that the following policies on reserve studies apply:
  - a. The MOHA Board of Directors shall determine whether to have a reserve study prepared and the timing of any such study.
  - b. The Association may have any reserve study updated or revised periodically.
  - c. Reserve studies may be performed by an outside consultant or may be prepared internally.
  - d. Reserve studies are preferred to be based on a physical examination of the MOHA community by the person preparing the reserve study.
2. Reserve Funding Policy. MOHA establishes the following policies on funding reserve studies as follows:
  - a. Funding for replacement of an Association asset is preferred to be based on financial analysis performed by one or more MOHA homeowners in consultation with the MOHA Board of Directors.
  - b. Funding for maintenance or replacement is planned and projected to be from the following sources: (1) cash on hand, (2) annual assessments of the homeowners, (3) special assessments of homeowners, (4) a loan that may be obtained by the Association, and/or (5) any combination of the above.
3. General standards of conduct for Officers and Members of the Executive Board in accordance with C.R.S. § 7-128-401, as amended:
  - a. Each Officer or Member of the Executive Board (“Officer”) shall discharge the Officer’s duties as an Officer, including the Officer’s duties as a member of a committee of the board, and each officer with discretionary authority shall discharge the officer’s duties under that

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authority:(1) In good faith; (2) With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (3) In a manner the Officer reasonably believes to be in the best interests of the Association.

- b. In discharging duties, an Officer is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:(1) One or more members or officers of the Association whom the Officer believes to be reliable and competent in the matters presented;(2) Legal counsel, a public accountant, or another person as to matters the Officer reasonably believes are within such person's professional or expert competence;(3) Religious authorities or ministers, priests, rabbis, or other persons whose position or duties in the Association, or in a religious organization with which the Association is affiliated, the Officer believes justify reliance and confidence and who the Officer believes to be reliable and competent in the matters presented; or (4) In the case of a committee of the board of directors of which the Officer is not a committee member, if the Officer reasonably believes the committee merits confidence.
- c. An Officer is not acting in good faith if the Officer has knowledge concerning the matter in question that makes reliance otherwise permitted by subsection b of this section unwarranted.
- d. An Officer is not liable as such to the Association or its members for any action taken or omitted to be taken as an Officer, as the case may be, if, in connection with such action or omission, the Officer performed the duties of the position in compliance with this section.
- e. An Officer or member, regardless of title, shall not be deemed to be a trustee with respect to the Association or with respect to any property held or administered by the Association including, without limitation, property that may be subject to restrictions imposed by the donor or transferor of such property.
- f. An Officer of the Association, in the performance of duties in that capacity, shall not have any fiduciary duty to any creditor of the Association arising only from the status as a creditor.
- g. No person shall be liable in contract or tort merely by reason of being a director, officer, or member of an Association that was suspended, declared defunct, administratively dissolved, or dissolved by operation of law, and the business or activities of which have been continued for Association purposes, with or without knowledge of the suspension, declaration, or dissolution, and the business and activities of which have not been wound up.

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IN WITNESS WHEREOF, the undersigned certify that this Policy on Reserve Studies and Funding was adopted by resolution of the Board of Directors of Mountain View Homeowners Association on this 21st day of January, 2017.

MOUNTAIN OAKS HOMEOWNERS ASSOCIATION  
A Colorado nonprofit corporation,

By: Steve Carmichall  
President

By: Beverly Collins  
Secretary