

**RESOLUTION
OF THE
OSPREY RESERVE OWNERS ASSOCIATION**

RESPONSIBLE GOVERNANCE POLICIES AND PROCEDURES

SUBJECT: Adoption of policies and procedures for the Association regarding the following:

1. Investment of Reserves;
2. Inspection and Copying of Association Records;
3. Covenant and Rule Enforcement;
4. Board Member Conflicts of Interest;
5. Conduct of Meetings;
6. Collection of Unpaid Assessments; and
7. Adoption of Policies, Procedures, Rules, Regulations and Guidelines.
8. Compliance Policies
9. Dispute Resolution and Limitation on Litigation

PURPOSES: To comply with Colorado law.

AUTHORITY: The Declarations, Articles of Incorporation, and Bylaws of the Association and Colorado law.

**EFFECTIVE
DATE:** January 1, 2006

RESOLUTION: The Association hereby adopts the following Policies and Procedures subject to:

- (a) Definitions: Unless otherwise defined, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
- (b) 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 Osprey Reserve.
- (c) Deviations. The Board may deviate from the procedures set forth if in its sole discretion such deviation is reasonable under the circumstances.
- (d) Amendment. The following policies may be amended from time to time by the Executive Board.

1. INVESTMENT OF RESERVE POLICY

- A. Scope. In order to properly maintain areas in Osprey Reserve that are the responsibility of the Association, to comply with state statutes, to manage reserve funds, and to protect the market value of Owners' homes and livability in Osprey Reserve, the Executive Board determines that it is necessary to have policies and procedures governing the investment of reserve funds.
- B. Purpose of the Reserve Fund. Because the portions of Osprey Reserve that the Association is responsible for typically have limited, but reasonably predictable, useful lives, the purpose of the Reserve Fund shall be to responsibly fund and finance the projected repair and replacement of those portions of Osprey Reserve that the Association is responsible for and for such other funding as the Executive Board may determine.
- C. Investment of Reserves. The investment strategy of the Association should emphasize a long-term outlook by diversifying the maturity date of fixed-income instruments within the portfolio utilizing a laddered investment approach. The Executive Board of the Association shall invest funds held in the Reserve Fund accounts to generate revenue that will accrue to the Reserve Fund accounts balance pursuant to the following goals, criteria and policies, listed in order of importance:
- (i) Safety of Principal. Promote and ensure the preservation of the Reserve Fund's principal.
 - (ii) Liquidity and Accessibility. Structure maturities to ensure availability of assets for projected or unexpected expenditures.
 - (iii) Minimal Costs. Minimize investments costs (redemption fees, commissions, and other transactional costs).
 - (iv) Diversify. Mitigate the effects of investment volatility upon reserve assets.
 - (v) Return. Invest funds to seek the highest level of return.
- D. 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.
- E. Independent Professional Investment Assistance. The Executive Board of the Association may hire a qualified investment counselor to assist in formulating a specific investment strategy.

- F. 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.

- G. Reserve Study. In order to determine the adequacy of the funding of the Reserve Fund, the Executive Board may determine, with the assistance and advise of professionals, the life expectancy of those portions of Osprey Reserve to be maintained by the Association and the anticipated costs of maintaining, replacing and improving those identified areas (hereinafter referred to as a "Reserve Study").

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

2. INSPECTION AND COPYING OF ASSOCIATION RECORDS

A. The Association shall permanently retain the following records as required by Colorado law and Article X of the Bylaws:

- Minutes of all Board and Owner meetings
- A record of all actions taken by the Board or Owners by written ballot or email in lieu of a meeting
- A record of all actions taken by a committee on behalf of the Board in place of the Board on behalf of the Association
- A record of all waivers of the notice requirements for unit owner meetings, Board member meetings, or committee meetings.
- A record of unit owners and the number of votes each unit owner is entitled to vote that permits the preparation of a list of the names and addresses of all unit owners.
- Financial records sufficient to allow the association to provide a written statement setting forth the amount of unpaid assessments currently levied against any Owner's unit within fourteen days of the receipt of such request.
- The Association's articles of incorporation and bylaws.
- The project's declaration and covenants.
- Copies of any resolutions adopted by the Executive Board relating to the characteristics, qualifications, rights, limitations, and obligations of Owners or any class or category of Owners.
- Copies of all written communications within the past three years to unit owners generally as unit owners.
- A list of the names and business or home addresses of its current directors and officers.
- The Association's most recent annual report.
- All financial audits, financial reviews or studies conducted during the immediately preceding three years.

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 following exclusions, conditions and requirements:

- (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 regular business hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, at the office of the Association or the Association's Managing Agent.

- (iii) The Owner shall give the Association's Managing Agent a written demand, stating with reasonable particularity the records sought and the purpose for which the inspection and/or copying is sought, at least five business days before the date on which the Owner wishes to inspect and/or copy such records.
- C. Proper Purpose/Limitation. Association records shall not be used by any Owner for:
- (i) Any purpose unrelated to an Owner's interest as an Owner;
 - (ii) The purpose of soliciting money or property unless such money or property will be used solely to solicit votes of the Owners in an election to be held by the Association;
 - (iii) Any commercial purpose;
 - (iv) For the purpose of giving, selling or distributing such Association records to any person; or
 - (v) Any improper purpose as determined in the sole discretion of the Board.
- D. Exclusions. The following confidential records shall NOT be available for inspection and/or copying:
- (i) Attorney-client privileged documents and records, unless the Board decides to disclose such communications;
 - (ii) Any documents that are confidential under constitutional, statutory or judicially imposed requirements; and
 - (iii) 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.
- E. Fee/Costs. Any Owner requesting copies of Association records shall be responsible for all actual costs incurred by the Association, including the cost to search, retrieve, and copy the record(s) requested. 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 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.

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

3. COVENANT AND RULE ENFORCEMENT

See Article XIV of the Declaration and Section 7.05 of the Bylaws.

- A. Fine Schedule. The following fine schedule has been adopted for all recurring covenant violations:

First violation	Warning letter
Second violation (of same covenant or rule)	\$25.00
Third violation (of same covenant or rule)	\$100.00

Fourth and subsequent covenant violations may be turned over to the Association's attorney to take appropriate legal action. Any Owner committing four or more violations in a six month period (whether such violation are of the same covenant or different covenants) may be immediately turned over to the Association's attorney for appropriate legal action.

- B. Continuous Violations. Continuous violations are defined as violations of Owners obligations that are uninterrupted by time. Each day of non-compliance with such violations constitutes a separate violation. *For example: the failure to remove an unapproved exterior improvement or the continuous parking in a fire lane.*

If an Owner is determined as having a continuous violation, in accordance with the terms of this Policy, such Owner may be subject to a daily fine of \$100.00 for each day the violation, up to a maximum of 30 days, following a notice and opportunity for a hearing as set forth above. The Board need not issue a separate notice or have a separate hearing for each day of a continuous violation.

- C. Waiver of Fines. The Board may waive all, or any portion, of the fines if, in its sole discretion, such waiver is appropriate under the circumstances. Additionally, the Board may condition waiver of the entire fine, or any portion thereof, upon the Violator coming into and staying in compliance with the Association Documents.
- D. Other Enforcement Means. This fine schedule and enforcement process is adopted in addition to all other enforcement means which are available to the Association through the Association Documents and Colorado law. The use of this process does not preclude the Association from using any other enforcement means.
- E. 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.
- F. Amendment. This policy may be amended from time to time by the Executive Board.

4. BOARD CODE OF ETHICS - CONFLICT OF INTEREST POLICY

- A. General Duty. The Executive Board shall use its best efforts at all times to make decisions that are consistent with high principles, and to protect and enhance the value of the properties of the members and Association. All Directors shall exercise their power and duties in good faith and in the best interest of, and with utmost loyalty to the Association. All Directors shall comply with all lawful provisions of the Declaration and the Association's Articles, Bylaws, and Rules and Regulations.
- B. Code of Ethics. Each Director and the Board as a whole shall adhere to the following Code of Ethics:
- (i) No Director shall use his/her position for private gain, including for the purpose of enhancement of his/her financial status through the use of certain contractors or suppliers.
 - (ii) No contributions will be made to any political parties or political candidates by the Association.
 - (iii) No Director shall solicit or accept, directly or indirectly, any gifts, gratuity, favor, entertainment, loan or any other thing of monetary value from a person who is seeking to obtain contractual or other business or financial relations with the Association.
 - (iv) No Director shall accept a gift or favor made with intent of influencing decision or action on any official matter.
 - (v) All directors are volunteers, and no person shall receive any compensation from the Association for acting as a Director.
 - (vi) No Director shall willingly misrepresent facts for the purpose of advancing a personal cause.
 - (vii) No Director shall interfere with a contractor engaged by the Association while a contract is in progress. All communications with Association contractors shall go through the Board President, Managing Agent, or be in accordance with this policy.
 - (viii) No Director shall harass, threaten, or attempt through any means to control or instill fear in any member, Director or agent of the Association.
 - (ix) No promise of anything not approved by the Board as a whole can be made by any Director to any subcontractor, supplier, or contractor during negotiations.

- (xii) Language and decorum at Board meetings will be kept professional. Personal attacks against owners, residents, managers, service providers and Directors are prohibited and are not consistent with the best interest of Osprey Reserve.
 - (xiii) Board Members shall use their best efforts at all times to be familiar with to comply to with the Association Documents and governing law.
 - (xiv) Board Members shall work within the Association's framework and refrain from unilateral action. The Board shall act upon decisions duly made by the Board, and no Board Member shall act unilaterally or contrary to such decisions.
 - (xv) Board Members shall maintain confidentiality when appropriate. Board Members shall at all times maintain the confidentiality of all legal, contractual, personnel, and management matters involving the Association.
- C. Conflict of Interest - Definition. A conflict of interest exists whenever any contract, decision or other action taken by or on behalf of the Board would financially benefit: (i) a Director; (ii) a parent, grandparent, spouse, child, or sibling of the Director; (iii) a parent or spouse of any of the persons in subsection (ii); (iv) an entity in which a Director is a director or officer or has a financial interest.
- D. Disclosure of Conflict. Any conflict of interest on the part of any Director shall be verbally disclosed to the Board in open session at the first open meeting regarding the issue over which the conflict of interest exists. Such disclosure shall occur prior to any discussion or vote on the matter. After disclosure, the Director may not participate in the discussion, and shall not vote on the matter. The minutes of the meeting shall reflect the disclosure made, the abstention from participation and voting, the composition of the quorum and record who voted for and against the matter.
- E. Failure to Disclose Conflict. Any contract entered into in violation of this policy shall be void and unenforceable. In such event, the Board, at the next meeting of the Board, shall vote again on the contract, decision or other action taken in violation of this Policy. Such subsequent meeting and vote shall be occur in strict adherence to the policies set forth above.

5. 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.

- (a) In addition to any notice required in the Bylaws, notice of any meeting of the Owners shall be conspicuously posted within Osprey Reserve at least seven days prior to each such meeting, or as may otherwise be required by Colorado law.
- (b) The Association shall also post notice on its website (if any) of all meetings. Such notice shall be posted seven days prior to such meeting.
- (c) If any Owner has requested that the Association provide notice via email and has provided the Association with an email address, the Association shall, if it has such capability, send notice of all Owner meetings to such Owner at the email address provided as soon as possible after notice is provide pursuant to the Bylaws but in no case less than 24 hours prior to any such meeting.

(ii) Conduct.

- (a) All Owner meetings shall be governed by the following rules of conduct and order:
 - 1. The President of the Association or designee shall chair all Owner meetings.
 - 2. All Owners and persons who attend a meeting of the Owners will sign in, present any proxies and receive ballots as appropriate. (See section below regarding voting)
 - 3. 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.
 - 4. Anyone wishing to speak must first be recognized by the Chair.
 - 5. Only one person may speak at a time.
 - 6. Each person who speaks shall first state his or her name and Unit address.
 - 7. 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.
 - 8. Those addressing the meeting shall be permitted to speak

- without interruption from anyone as long as these rules are followed.
9. Comments are to be offered in a civilized manner and without profanity or personal attacks. Comments are to be relevant to the purpose of the meeting.
 10. Each person shall be given up to a maximum of three minutes to make a statement or to ask questions. The Board may decide whether or not to answer questions during the meeting. Each person may only speak once. 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.
 11. All actions and/or decisions will require a first and second motion.
 12. Once a vote has been taken, there will be no further discussion regarding that topic.
 13. Minutes of actions taken shall be kept by the Association.
 14. 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.
 15. 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 taken as follows:

- (a) Election of Board members shall be conducted by secret ballot. 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.
- (b) All other votes taken at a meeting of the Owners shall be taken in such method as determined by the Executive Board including acclamation, by hand, by voice or by ballot, unless otherwise required by law.
- (c) Written ballots shall be counted by a neutral third party, excluding the Association's manager or legal counsel, or by an Owner(s) who is not a candidate selected randomly from a pool of two or more unit owners. 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, Executive Board or candidates.

(d) 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 and against any issue.

(iv) Proxies. Proxies may be given by any owner as allowed by C.R.S. 7-127-203.

(a) 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 unit owner
3. Authority of the unit owner to vote
4. Conflicting proxies
5. Expiration of the proxy.

B. Board Meetings. Meetings of the Executive Board of the Association shall be called pursuant to the Bylaws of the Association.

(i) Conduct.

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

1. The President of the Association, or designee, shall chair all Board meetings.
2. All persons who attended a meeting of the Board shall be required to sign in, listing their name and unit address.
3. 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.
4. Anyone desiring to speak shall first be recognized by the Chair.
5. Only one person may speak at a time.
6. Each person speaking shall first state his or her name and Unit address.
7. Any person who is represented at the meeting by another person as indicated by a written instrument shall be permitted to have such person speak for them.

8. Those addressing the Board shall be permitted to speak without interruption from anyone as long as these rules are followed.
9. 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.
10. Each person 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 only speak 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.
11. Minutes of actions taken shall be kept by the Association.
12. 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 a vote by the Directors, Owners present at such time shall be afforded an opportunity to speak on the motion as follows:

- (a) 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 speak. 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.
- (b) 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 Executive Board votes to open the discussion to further Owner participation.

**RESOLUTION
OF
OSPREY RESERVE OWNERS ASSOCIATION
COLLECTION OF UNPAID ASSESSMENTS**

SUBJECT: Adoption of a policy and procedure for Osprey Reserve Owners Association (the "Association") regarding the collection of unpaid Assessments.

PURPOSE: The purpose of this policy is to provide notice of the Executive Board (the "Board") adoption of a uniform and systematic procedure to collect Assessments and other charges of the Association that complies with statutory requirements.

AUTHORITY: The Colorado Common Interest Ownership Act ("CCIOA"), the Nonprofit Corporation Act, the Declaration of Covenants, Conditions and Restrictions of Osprey Reserve recorded with the Summit County, Colorado, Clerk and Recorder on April 1, 2005 at Reception No. 786273, (the "Declaration"), the Bylaws, which together with the Articles of Incorporation, Policies, Rules and Regulations are referenced as the "Governing Documents".

EFFECTIVE: Upon Approval

RESOLUTION: The Board hereby adopts the following policy and procedure subject to:

- Definitions: Unless otherwise defined, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
- Compliance with Law. The provisions of this Resolution comply with the provisions of the Declaration and the law of the State of Colorado governing the Association.
- Deviations. The Board may deviate from any provision of this Resolution if in its sole discretion such deviation is reasonable under the circumstances.
- Amendment. The Board may amend the following policies from time to time.

COLLECTION OF UNPAID ASSESSMENTS

1. Purpose of the Collection Policy. One of the many advantages of living in a community association is sharing with other members the costs of certain maintenance, repairs, and amenities that are often too expensive for a single Owner. All Owners are legally bound to share those costs. It is imperative for the proper maintenance of the Association's Common Elements that all Assessments, whether regular or special, be paid in full and on time. Delinquencies throw the Association's entire budget off course and negatively affect all Owners' property values and lifestyles. To maintain our community adequately, state statutes and our Governing Documents give the Board the authority to impose and collect Assessments and other allowable charges from Owners. In fact, the Board owes a duty to all Owners to make sure everyone pays. The Board has adopted the following policy to fulfill its duty in a fair, systematic, and impartial manner.

2. Common Expenses and Assessments. Common Expenses are the expenses and liabilities of the Association including allocations for reserves. Common Expenses include expenses of administration and management, maintenance, repair or replacement of the Common Elements; expenses declared Common Expenses by the Governing Documents; and expenses agreed upon as Common Expenses by the Owners. Common Expenses are funded by Assessments against the Lots as provided in the Declaration including default Assessments for rules violation fines, late fees, common area repairs, insurance deductibles, attorney fees, interest, or other charges imposed under the Governing Documents.

3. When Assessments Are Due. Annual Assessments are due in advance on the first day of each year without notice. Owners may pay their annual Assessments in equal monthly installments, which are due in advance and without notice on the first day of each month, or in such other installments as the Board may determine from time to time. Payments for other Assessments, or installments of other Assessments, are due thirty (30) days after the mailing of notice of Owner's obligation to pay, unless otherwise stated. If an Owner does not pay in full any Assessment by its due date the Owner's account is delinquent.

4. Where to Send Payment. Owners shall deliver all payments to the Association as follows:

Osprey Reserve Owners Association
P.O. Box 2590
Dillon, CO 80435-2590

5. Notice of Delinquency.

a. *First Notice.* After an Assessment is delinquent for thirty (30) days the Manager will send to the Owner a written notice of delinquency ("First Notice"). The First Notice will state:

- i. The total amount due with an accounting of how the total was determined;
- ii. Who the delinquent Owner may contact to verify the amount past due;
- iii. The Owner must cure the delinquency by payment of the amount owed either in a lump sum or under a payment plan pursuant to Section 7, and who the Owner may contact regarding a lump sum payment or a payment plan;
- iv. How payments will be applied to the delinquency;
- v. If the Owner fails to cure the delinquency within 30 days the delinquent account may be turned over to the Association's attorney for collection, filing a lien and other remedies available to the Association pursuant to the Governing Documents and Colorado law.

b. *Second Notice.* After an Assessment is delinquent for sixty (60) days, the Manager may send the delinquent Owner a second written notice of non-payment ("Second Notice"). The Second Notice will state the amount past due, that interest and late fees have accrued and the amount thereof, and that the Manager will turn the account over to the Association's attorney for collection if they do not cure the delinquency within 30 days after the date of the Second Notice.

c. *Final Notice.* After receiving the delinquent account, the Association's attorney will file a lien and send a letter ("Final Notice") to the delinquent Owner demanding immediate payment for past due Assessments, and that the delinquent Owner has 15 days from the date of the Final Notice to cure the delinquency. Upon further review, and the Board's compliance with Section 14 below, the Association's attorney may file a lawsuit or pursue other remedies authorized under the Governing Documents and Colorado law. A delinquent Owner must pay reasonable attorney's fees the Association incurs together with costs, applicable interest and late fees, whether or not suit is initiated.

6. Collection Remedies. The Association may take any or all of the following actions if an Owner's account is delinquent:

a. Late Fees and Interest. If the Association does not receive payment for any Assessment in full on or before the thirty (30) days after it becomes due, the delinquent Owner must pay a monthly late charge of **\$50.00** as liquidated damages for the Association's time, inconvenience, and overhead in collecting the late payment. The delinquent account will also accrue interest at **21%** per annum from the due date until the date of payment.

b. Returned Checks. Any Owner who writes a check to the Association that the Association's bank returns for any reason must pay the following charges:

i. a return check charge of **\$100.00** plus any related bank charges that the Association incurs because of the returned check; and

ii. If notice has been sent pursuant to C.R.S. § 13-21-109 and the total amount due set forth in that notice is not paid within fifteen (15) days after such notice is given, the person issuing the check, draft or money order will be liable to the Association for collection of three (3) times the face amount of the check, but not less than \$100.00.

iii. If Owner writes two or more checks to the Association that the Association's bank returns for any reason within one fiscal year, the Association may require that Owner to pay Assessments for one fiscal year with certified funds.

c. Reserve Deposit. The Association may require an Owner to deposit with the Association an amount equal to 1/6 of the annual Assessment to be held by the Association as an operational reserve. Payment of such amount shall not relieve an Owner of the obligation to pay the periodic Assessments as they become due. Upon transfer of a Lot, the transferring Owner shall receive any portion of the reserve payment which remains unused as of the date of such transfer.

d. Suspend Privileges. If an account is delinquent for more than sixty (60) days, the Association will give the Owner a thirty (30) day notice of intent to suspend voting privileges.

e. Assignment of Rents. In the event of any delinquency, Owner assigns all rents of their Lot to the Association, who upon written notice to the Tenant will be entitled to collect all rent and other sums due under the rental agreement.

7. Payment Plan: In compliance with C.R.S. § 38-33.3-316.3, the Association will make a good faith effort to set up a payment plan with a delinquent Owner prior to turning the Owner's delinquent account over to a third party debt collector or referring the account to an attorney for legal action. An Owner should contact the Manager to request a copy of the ledger to confirm the amount of Assessments owed or to set up a payment plan.

a. Requirements. A payment plan negotiated between the Association Treasurer or Manager and an Owner pursuant to this Section must permit the Owner to pay off the delinquency in equal installments over a period of at least six months. The plan will also require the Owner to pay all periodic and other Assessments as they become due during the term of the payment plan. A payment plan will contain the material terms as set forth in the template attached as Exhibit A to this Resolution, as may be amended by the Association Treasurer to address the particular circumstances of the delinquency.

b. Default. The Association may pursue any collection remedy or

legal action the Governing Documents authorize against an Owner who defaults on the terms of a payment plan entered into pursuant to this Section. An Owner will be in default of their payment plan if the Owner fails to timely pay an agreed upon installment, or if the Owner otherwise defaults under the terms of the payment plan.

c. Exceptions. The Association is not required to set up payment plans with an Owner who does not occupy the Lot and acquired the property as a result of a Default of a Security Interest, or an Owner that has previously entered into a payment plan pursuant to this Section.

8. Habitual Delinquency. An Owner that is more than thirty (30) days delinquent on two or more periodic Assessment payments in any six month period will be considered habitually delinquent. The Board may require habitually delinquent Owners to arrange for payment of future Assessments to the Association by Automated Clearing House (ACH) direct debit transfers or automatic Electronic Funds Transfer (EFT). The Board may not require an Owner to make ACH or EFT transfers for a term longer than twelve (12) consecutive months, unless the Owner requests to continue paying installments of Assessments by ACH or EFT transfers.

9. Crediting Late Payments. All delinquent accounts remain delinquent until paid in full. Acceptance of partial payments will not waive the Association's right to pursue full payment and/or to enforce the provisions of this policy. The Association will apply partial payments to the outstanding balance in the following order:

- a. Post judgment attorney's fees and costs;
- b. Post judgment interest;
- c. Late charges, returned check charges, lien fees, and any other fines or costs owing or incurred;
- d. Interest accrued on any unpaid post judgment Assessments;
- e. Unpaid Assessments, with payments applied to the oldest balance first;
- f. Current Assessments; and
- g. Amounts reduced to judgment.

10. Acceleration and Deceleration of Assessments. The Board reserves the right to accelerate and call due the entire unpaid annual or special Assessment of any delinquent account. Such acceleration will result in the entire unpaid Assessment being due to the Association immediately. The Board also reserves the right to decelerate any accelerated Assessment.

11. Certificate of Status of Assessment. The Association will furnish to an Owner or such Owner's designee within fourteen (14) days after written request to the Association's agent, a written statement setting forth the amount of unpaid Assessments currently levied against such Owner's Lot for a fee of **\$50.00**. However, if the account has been turned over to the Association's attorney, such request will be handled through the attorney.

12. Bankruptcies and Foreclosures. Upon receipt of any notice of a bankruptcy

filing by an Owner, or upon receipt of a notice of a foreclosure by any holder of an encumbrance against any Lot, the Manager will notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.

13. Appointment of a Receiver. The Association may seek the appointment of a receiver if an Owner becomes delinquent in the payment of Assessments pursuant to the Declaration and Colorado law. A receiver is a disinterested person, appointed by the court that manages the rental of the property, collects the rent and disburses the rents according to the court's order. The purpose of a receivership for the Association is to obtain payment of current Assessments, reduce past due Assessments, and prevent the waste and deterioration of the property.

14. Judicial Foreclosure. If the balance of the delinquent Assessments and charges secured by its lien equals or exceeds six months of Common Expense Assessments based on a periodic budget adopted by the Association, the Association may foreclose on the lien in lieu of or in addition to suing an Owner for a money judgment. The purpose of foreclosing is to obtain payment of all Assessments owing in situations where either a money judgment lawsuit has been or is likely to be unsuccessful or other circumstances favor such action. With respect to such action:

a. The Board must formally resolve, pursuant to a recorded vote, to authorize the filing of a legal action against an Owner or a Lot.

b. The Board may not delegate its duty under this Section to any attorney, insurer, Manager, or other person.

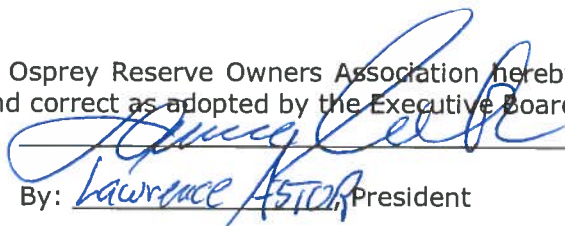
15. Waivers. The Association is authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association determines is appropriate under the circumstances.

16. Notices. The Association will cause a collection or demand letter or notice to be hand delivered or sent to a delinquent Owner at the registered or last known address by regular mail. The Association may, but is not required to send an additional copy of that letter or notice by e-mail or certified mail.

17. Communication with Owners. All communication with a delinquent Owner will initially be handled by the Manager, but once a matter is referred to the attorney communication will be handled through the Association's attorney. A Board member or Manager may not discuss the collection of the account directly with an Owner after it has been turned over to the Association's attorney unless the attorney is present or has consented to the contact.

18. Defenses. Failure of the Association to comply with any provisions in this policy will not be deemed a defense to payment of Assessment fees or other charges, interest, late charges, return check charges, attorney fees and/or costs as described and imposed in this policy.

The undersigned officer of Osprey Reserve Owners Association hereby certifies that the foregoing Resolution is true and correct as adopted by the Executive Board.


By: Lawrence Astor, President

5-4-16
Date

[Insert Date]

NOTICE OF DELINQUENCY

Owner
Mailing Address
City, State Zip
Sent via Certified Mail and E-mail to: email@address.com

Re: [Insert Property Address]

Dear Mr./Mrs./Ms. Owner:

This letter is to notify you that you are delinquent in paying Assessments due to Osprey Reserve Owners Association (the "Association"). The current amount owed on the Property is as follows:

Description	Balance Due
Delinquent Assessments from DATE to DATE	\$ _____
Late Fees	\$ _____
Interest at 21%	\$ _____
Costs of Collection	\$ _____
TOTAL DELINQUENCY	\$ _____

The Association requests that you forward a certified or cashier's check, payable to the Association, in the amount of \$ _____ within 30 days of this notice. Payment may be delivered to the Association as follows:

Osprey Reserve Owners Association
Attn: Kevin Lovett, Manager
P.O. Box 2590
Dillon, CO 80435-2590

You must cure the delinquent amount by lump sum payment or payment plan. Please contact the Association's Manager, Kevin Lovett, at (970) 468-9137 to verify the amount owed or to discuss entering into a payment plan with the Association. Pursuant to the Governing Documents, payments will be applied in the following order: attorney's fees and costs, interest, late charges, returned check charges, lien fees, and any other fines or costs owing or incurred, unpaid Assessments, with payments applied to the oldest balance first, and finally, current Assessments. The Association will pursue all remedies available to it under the Governing Documents and applicable law if you fail to cure the delinquency.

If the total delinquent amount is not cured within 30 days, the Association may record a lien against the Property with the Summit County Clerk and Recorder and the account may be turned over to the Association's attorney for collection. Additionally if the delinquency remains unpaid, the Association is entitled to the following remedies: acceleration of the entire annual or

special Assessment, suspension of privileges and access to amenities, assignment of rent, appointment of receiver, judgment and/or foreclosure. You will be responsible for continuing late fees, interest, collection costs and attorney's fees incurred due to the Association's collection efforts.

Please contact us with any questions you may have regarding this matter.

Certain disclosures and notifications concerning your rights and duties in this matter have been placed on the 3rd page of this notice.

**FOR INFORMATION ABOUT THE COLORADO FAIR DEBT
COLLECTION PRACTICES ACT, SEE WWW.AGO.STATE.CO.US/CAB.HTM**

Sincerely,

OSPREY RESERVE OWNERS ASSOCIATION

By: _____, Manager

NOTICE AND DISCLOSURE

1. The amount of debt you owe is \$ _____ through _____, _____, plus costs of collection.
2. The name of the creditor to whom you owe the debt is Osprey Reserve Owners Association
3. Unless you dispute the validity of the debt or any portion thereof within 30 days after receipt of this notice, we shall assume the debt to be valid.
4. If you notify us in writing within this 30-day period that you dispute this debt or any portion thereof, we will obtain verification of the debt or judgment, if one exists, and will mail you a copy.
5. Upon your written request within the 30-day period we will provide you with the name and address of the original creditor, if different from the current creditor.
6. If you notify our office in writing within the 30 day period that the debt, or any portion thereof, is disputed, we will cease collection of the debt, or any disputed portion thereof, until we obtain verification of the debt or a copy of the judgment or the name and address of the original creditor and we will mail a copy of such verification or judgment to you.
7. Your failure to dispute the validity of the debt shall not be construed by a court as an admission of liability by the consumer.
8. If you refuse to pay the debt or you wish our agency to cease further communication and you so advise our office in writing, we shall not communicate further with you except:
 - A. To advise you we intend to invoke specified remedies permitted by law or that we may invoke specified remedies which we ordinarily invoke;
 - B. To advise you our efforts are being terminated.
9. This is an attempt to collect a debt. Any information obtained will be used for that purpose.
10. Collection agencies are licensed by the collection agency board. The board's current address is Office of the Colorado Attorney General, Collection Agency Board, 1525 Sherman Street, 5th Floor, Denver, Colorado 80202.
11. Consumers shall not send any payments to the collection agency board.

PAYMENT PLAN AGREEMENT FOR DELINQUENT ASSESSMENT

This PAYMENT PLAN AGREEMENT FOR DELINQUENT ASSESSMENT (the "Agreement") is made between Osprey Reserve Owners Association, a Colorado non-profit corporation, through its Manager, Summit Resort Group, Inc., P.O. Box 2590, Dillon, Colorado 80435-2590 (the "Association"), and _____, [insert mailing and email addresses] _____, (the "Owner").

RECITALS

A. The Association is a Colorado nonprofit corporation formed to represent the interests of the Lot Owners as provided in the Declaration of Covenants, Conditions and Restrictions of Osprey Reserve recorded with the Summit County, Colorado, Clerk and Recorder on April 1, 2005 at Reception No. 786273, as amended (the "Declaration"). The Owner owns Lot _____, and is subject to the Declaration.

B. The Association is owed the following Assessments, pursuant to the Declaration and the Association's Collection Policy.

Description Of Charges	Balance Due
Delinquent Assessments from DATE to DATE	\$ _____
Late Fees to DATE	\$ _____
Interest to DATE	\$ _____
Attorney Fees since _____	\$ _____
TOTAL	\$ _____

C. The Owner and Association desire to provide a payment plan for Owner to cure the Assessment delinquency upon the terms set forth in this Agreement.

IT IS THEREFORE AGREED AS FOLLOWS:

AGREEMENT

1. Payment. The Owner agrees to pay the delinquent Assessment in the amount of \$ _____ as follows:

a. Six (6) equal installment payments of \$ _____, which must reach the office of the Association's Manager by the [insert day] of each month, starting _____, 20__ and ending _____, 20__.

b. All payments must be delivered to the following address:

Osprey Reserve Owners Association
Attn: Kevin Lovett, Manager
Summit Resort Group, Inc.

P.O. Box 2590
Dillon, CO 80435-2590

c. The Owner further agrees to pay in full all Assessments becoming due under this Agreement, including periodic Assessments in the amount of \$_____ per month.

d. The delinquent Assessments due under this Agreement will accrue interest at the rate of 21% per annum from the date of this Agreement until paid in full.

e. So long as the Owner is in compliance with the terms of this Agreement the Association will be not pursue any further collection remedies or incur additional costs. Upon timely receipt of all payments due under this Agreement the Association will also waive all interest accrued thereon.

2. Default/Acceleration of Assessments. If the Owner does not pay all Assessments as provided in this Agreement the Owner will be in default. In the event of default the Association may declare all Assessments due under this Agreement, plus future Assessments for the remainder of the year, accumulated interest, late fees, and attorney's fees due.

3. Enforcement/ Entry of Judgment. If the Owner defaults, without further notice the Association may file this Agreement in the Summit County Court and obtain judgment in the total amount then due and owing under this Agreement, including all Assessments, accumulated interest, late fees, attorney's fees, costs and expenses incurred by the Association, plus attorney's fees and other collection costs and expenses incurred by the Association. The Owner and the Association agree that the Association is not waiving any rights it may have under the Declaration or Collection Policy if payments are not made as provided above. Upon Owner's default this Agreement may be recorded in the Summit County Colorado Clerk & Recorder's office.

4. Review and Voluntary Agreement. By executing this document each party represents that he/she/it has had the opportunity to review this Agreement with an attorney, has fully read, understands and voluntarily accepts the terms and conditions contained herein.

5. Counterpart Execution. This Agreement may be executed by electronic signature in counterpart by the parties, which parts when taken together shall constitute a binding agreement.

6. Entire Agreement. This Agreement contains the entire agreement of the parties, and no promise, agreement, statement or representation not herein expressed has been made to or relied upon by them in entering into this Agreement.

7. No Oral Modifications. This Agreement may not be amended, modified, or extended except by a written instrument executed by both the parties.

8. Severability. In the event that a court of competent jurisdiction enters a final judgment holding invalid any material provision of this Agreement, the remainder of the Agreement shall be fully enforceable.

OWNER:

_____ Date: _____

ASSOCIATION: OSPREY RESERVE OWNERS ASSOCIATION

_____ Date: _____

By: _____

Its: _____

7. ADOPTION OF POLICIES, PROCEDURES, RULES, REGULATIONS, OR GUIDELINES.

- A. Scope. The Executive Board 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 insure that such Policies are necessary and properly organized, the Board shall follow the following procedures with 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. Policy Book. The Executive Board shall keep copies of any and all adopted Policies in a book designated as a Policy Book. The Executive Board may further categorize Policies, Procedures, Rules and Regulations, Resolutions and Guidelines but shall not be required to do so.

8. COMPLIANCE POLICIES

The policies adopted hereunder are adopted in conformity with the 2005 AND 2006 amendments to the Colorado Common Interest Ownership Act, 38-33.3-101, et seq, C.R.S., which are generally known as SB 100 and SB 89. It is the Association's intent that the policies set forth in this Resolution and Colorado law will prevail over contrary provisions in the Association's Governing Documents.

The Association adopts the following policies with regard to the following items addressed in SB 100 and 89:

A. Owner Education. On at least an annual basis the Association will provide Owners with education as to general operations and rights and responsibilities of the Owners and the Association under the Governing Documents.

B. Prohibitions contrary to public policy - patriotic and political expression - emergency vehicles - fire prevention - definitions. The Association shall not prohibit any of the following:

1. The display of the American flag by a Member on that Member's property, in a window of the Member's residence, or on a balcony adjoining the Member's property if the American flag is displayed in a manner consistent with the federal flag code, P.L. 94-344; 90 stat. 810; 4 U.S.C. 4 to 10. The Association may adopt reasonable rules regarding the placement and manner of display of the American flag. The Association rules may regulate the location and size of flags and flagpoles, but shall not prohibit the installation of a flag or flagpole.
2. The display by a Member of a service flag bearing a star denoting the service of the Member or a member of the Member's immediate family in the active or reserve military service of the United States during a time of war or armed conflict, on the inside of a window or door of the Member's residence. The Association may adopt reasonable rules regarding the size and manner of display of service flags; except that the maximum dimensions allowed shall be not less than nine inches by sixteen inches.
3. The display of a political sign by a Member or in a window of the Member's Condominium Unit; except that the Association may prohibit the display of political signs earlier than forty-five days before the day of an election and later than seven days after an election day. The Association shall permit at least one political sign per political office or ballot issue that is contested in a pending election, with the maximum dimensions of thirty-six inches by forty-eight inches, on a Member's property.

As used in this subparagraph 3, "political sign" means a sign that carries a message intended to influence the outcome of an election, including supporting or opposing the election of a candidate, the recall of a public official, or the passage of a ballot issue.

C. Parking of Emergency Vehicles: The Association shall not prohibit the parking of a motor vehicle by a Condominium Unit occupant on a street, driveway, or guest parking area if the vehicle is required to be available at designated periods at the occupant's residence as a condition of employment and all of the following criteria are met:

1. The vehicle has a gross vehicle weight rating of ten thousand pounds or less;
2. the occupant is a bona fide member of a volunteer fire department or is employed by a primary provider of emergency fire fighting, law enforcement, ambulance, or emergency medical services;
3. The vehicle bears an official emblem or other visible designation of the emergency service provider; and
4. Parking of the vehicle can be accomplished without obstructing emergency access or interfering with the reasonable needs of other Condominium Unit Owners to use streets and driveways within the common interest community.

D. Amendments to Declaration: Regardless of the provisions of Section 19 of the Declaration, and in accordance with Section 38-33.3-217, C.R.S., the Declaration may be amended by an affirmative vote of no less than 67% of the Owners.

E. Audit/Review: At the discretion of the Board, if the Association's revenues or expenditures are more than \$250,000 or upon request of at least 1/3 of the owners, the Association shall be subject to an audit or a review using statements on standards of accounting and review services. The audit or review will cover the Association's financial statements, which shall be prepared using generally accepted accounting principles.

F. Xeriscape: The Board shall not adopt any regulation or take any action that prohibits or limits xeriscape, prohibits or limits the installation or use of drought-tolerant vegetative landscapes, or requires cultivated vegetation to consist exclusively or primarily of turf grass, all as more specifically set forth and defined in Section 37-60-126, C.R.S.

9. DISPUTE RESOLUTION AND LIMITATION ON LITIGATION

Declarant, the Association and its officers, directors, and committee Members, all Members and persons subject to the Declaration and any person not otherwise subject to this Declaration who agrees to submit to this policy (collectively, "Bound Parties"), agree that it is in the best interest of all concerned to encourage the amicable resolution of disputes involving the Project without the emotional and financial costs of litigation. Accordingly, each Bound Party may not file suit in any court with respect to a Claim described below unless and until it has first submitted such Claim to the alternative dispute resolution procedures set forth below and engaged in a good faith effort to resolve such Claim.

- A. Claims. As used in this policy, the term "Claim" refers to any claim, grievance, or dispute arising out of or relating to:
1. the interpretation, application, or enforcement of the Governing Documents;
 2. the rights, obligations and duties of any Bound Party under the Government Documents; or
 3. the design, modification or construction of improvements within the Project, other than matters of aesthetic judgment, which shall not be subject to review;

except that the following shall not be considered "Claims" unless all parties to the matter otherwise agree to submit the matter to the procedures set forth below:

- i. any suit by the Association to collect assessments or other amounts due from any Owner;
- ii. any suit by the Association to obtain a temporary restraining order (or emergency equitable relief) and such ancillary relief as the Court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the provisions of the Governing Documents;
- iii. any suit between Owners, which does not include the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Governing Documents;
- iv. any suit in which any indispensable party is not a Bound Party;
- v. any suit as to which any applicable statute of limitations would expire within 60 days of giving the Notice required to assert a claim, unless

the party or parties against whom the Claim is made agree to toll the statute of limitations as to such Claim for such period as may reasonably be necessary to comply with this Article; and

- vi. Any Covenant or Rule Enforcement action by the Association as provided in Section III, except that prior to commencement of any civil action Mediation will occur as provided below.

B. Dispute Resolution Procedures.

1. Notice. The Bound Party asserting a Claim ("Claimant") against another Bound Party ("Respondent") shall give written notice to each Respondent and to the Board stating plainly and concisely:
 - i. the nature of the Claim, including the Persons involved and the Respondent's role in the Claim;
 - ii. the legal basis of the Claim (*i.e.* the specific authority out of which the Claim arises);
 - iii. the Claimant's proposed resolution or remedy; and
 - iv. the Claimant's desire to meet with the Respondent to discuss in good faith ways to resolve the Claim.
2. Negotiation. The Claimant and Respondent shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the parties in negotiating a resolution of the Claim.
3. Mediation. If the parties have not resolved the Claim through negotiation within 30 days of the date of the notice described in subsection 1 above (or within such other period as the parties may agree upon), the Claimant shall have 30 additional days to submit the Claim to mediation with an entity designated by the Association (if the Association is not a party to the Claim) or to an independent agency providing dispute resolution services in Colorado.

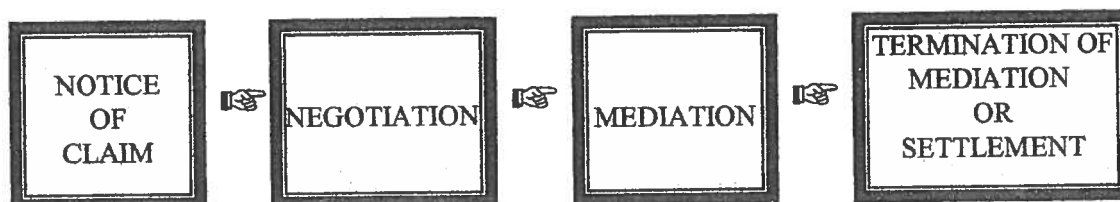
If the Claimant does not submit the Claim to mediation within such time, or does not appear for the mediation when scheduled, the Claimant shall be deemed to have waived the Claim, and the Respondent shall be relieved of any and all liability to the Claimant (but not third parties) on account of such

Claim.

If the Parties do not settle the Claim within 30 days after submission of the matter to mediation, or within such time as determined reasonable by the mediator, the mediator shall issue a notice of termination of the mediation proceedings indicating that the parties are at an impasse and the date that mediation was terminated. The Claimant shall thereafter be entitled to file suit or to initiate administrative proceedings on the Claim, as appropriate.

Each Party shall bear its own costs of the mediation, including attorneys' fees and each Party shall share equally all fees charged by the mediator.

4. Alternative Dispute Resolution Process



5. Settlement. Any settlement of the Claim through negotiation or mediation shall be documented in writing and signed by the parties. If any party thereafter fails to abide by the terms of such agreement, then any other party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth in this Section. In the event, the party taking action to enforce the agreement or award shall, upon prevailing, be entitled to recover from the non-complying party (or if more than one non-complying party, from all such parties in equal proportions) all costs incurred in enforcing such agreement or award, including, without limitation, attorneys' fees and court costs.
6. Litigation - Attorney Fees. If a lawsuit is initiated to enforce or defend any provision of CCIOA or the Governing Documents, the court shall award the prevailing party reasonable attorney's fees and costs of collection. If a Condominium Unit Owner prevails in any civil action, the Association may not assess the successful litigant for attorney fees or costs incurred by the Association.

PRESIDENT'S CERTIFICATION

The undersigned, being the President of the Association, certifies that the foregoing Resolution was adopted by the Executive Board of the Association, at a duly called and held meeting of the Executive Board on FEB 24, 2007 and in witness thereof, the undersigned has subscribed his name.

OSPREY RESERVE OWNERS ASSOCIATION

By: _____
Walt Jones, Secretary

PRESIDENT'S CERTIFICATION

The undersigned, being the ~~President~~^{Secretary} of the Association, certifies that the foregoing Resolution was adopted by the Executive Board of the Association, at a duly called and held meeting of the Executive Board on 2/24/2007 and in witness thereof, the undersigned has subscribed his name.



OSPREY RESERVE OWNERS ASSOCIATION

By: 
Walt Jones, Secretary

ADDENDUM

- A. Colorado Common Interest Community Ownership Act. CRS §38-33.3-101 et seq. Log onto www.dora.state.co.us/real-estate click on Real Estate Commission on right hand side of the screen, click on Manual on left hand side of screen, click on Chapter 4, CCIOA starts on Page 28 and ends on Page 44.
- B. Conflicting Interest Transactions, CRS §7-128-501 (attached).
- C. Proxies, CRS §7-127-203 (attached).

OSPREY RESERVE ASSOCIATION
RESERVE STUDY AND FUNDING POLICIES
(UNDER HB 09-1359)

**SUBJECT
AND
PURPOSES:**

Compliance with Colorado law, to adopt policies as required under House Bill 09-1359.

AUTHORITY:

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

**EFFECTIVE
DATE:**

2/20/10

RESOLUTION:

The Association adopts the attached policies (as required under House Bill 09-1359).

IN WITNESS WHEREOF, the undersigned certify that the foregoing was adopted by resolution of the Board of Directors of the Association on this 2nd day of February, 2010.

OSPREY RESERVE ASSOCIATION, a Colorado nonprofit corporation.

By:

Walter Jones
President

ATTEST:

By:

Title:

Thomas Lee
Vice President

**OSPREY RESERVE ASSOCIATION
RESERVE STUDY POLICY AND RESERVE FUNDING POLICY**

1. Reserve Study Policy.

- The Association is not required under the community's governing documents to have a reserve study.
- The Association has determined to establish policies on reserve studies as follows:
 - The Association has had a reserve study prepared.
 - The Association plans to update the reserve study annually.
 - Reserve studies are preferred to be performed by the property manager.
 - Reserve studies are preferred to be based on a physical examination of the community by the person preparing the reserve study, but may be performed without a physical examination.

2. Reserve Funding Policy.

- The Association has determined to establish policies on reserve funding as follows:
 - Funding for replacement is preferred to be based upon the financial estimates set forth in the reserve study.
 - Funding for replacement is planned and projected to be from the following sources: (1) cash then on hand, including the operation and the reserve accounts, (2) assessments of owners, (3) a loan as may be obtained by the Association, and/or (4) any combination of the above.