

THE BEAVER CREEK LODGE CONDOMINIUM ASSOCIATION, INC.
EXECUTIVE BOARD RESOLUTION

RESERVE STUDY AND FUNDING POLICY

The Executive Board of The Beaver Creek Lodge Condominium Association, Inc., a Colorado nonprofit corporation (the "Association"), hereby approves and adopts the following Resolution:

RESOLVED, that the following Policy of the Association is hereby adopted and ratified:

1. Scope. In order to properly maintain areas within The Beaver Creek Lodge Condominiums (the "Project") that are the responsibility of the Association, to comply with state statutes, and to protect the value of Owners' property and quality of life in the Project, the Executive Board determines that it is necessary to have policies and procedures for the Association to prepare and fund capital reserve studies.

2. Reserve Study. In order to determine funding of the Association's capital reserve, the Executive Board may determine, with the assistance and advice of professionals, the useful life of those portions of the Project to be maintained, repaired, replaced and improved by the Association and the anticipated costs of maintaining, repairing, replacing and improving those identified areas (hereinafter referred to as a "Reserve Study"). The Association shall perform a Reserve Study every three (3) years in connection with its annual budgeting procedure for that year. The Reserve Study shall be undertaken by the Association's management company. The Association may undertake a Reserve Study to be prepared by a qualified third party at any time that the Executive Board shall determine to do so. The Reserve Study will be comprised of both a physical and a financial analysis. The physical analysis will include, at a minimum, a component inventory, condition assessment (based on an on-site visual inspection) and life and valuation estimates of components. The financial analysis will include, at a minimum, a report on the status of the reserve fund at the time of the Reserve Study, a projection of the reserve balance and shortfalls or excesses if funding continues at the current pace, projections of reserve expenses, and recommended reserve fund contributions for a minimum of ten (10) years, together with recommendations for projected sources of funding and a funding plan. The Reserve Study will follow the best practices guidelines adopted by the Community Associations Institute ("CAI") from time to time.

3. Review of Reserve Study. The Executive Board, in conjunction with the Association's tax and legal advisors, if any, will review the Reserve Study and will create and periodically update the following:

- a. Schedule of maintenance and replacement of components.
- b. Funding plan, including projected sources of funding.
- c. Reserve schedule.

4. Definitions. Unless otherwise defined in this Policy, initially capitalized or terms defined in the Declaration and Bylaws shall have the same meaning herein.

5. Supplement to Law. The provisions of this Policy shall be in addition to and in supplement of the terms and provisions of the Declaration, Bylaws, and the law of the State of Colorado governing the Project.

6. Deviations. The Executive Board may deviate from the procedures set forth in this Policy if in its sole discretion such deviation is reasonable under the circumstances.

7. Defenses. Failure of the Association to comply with any provision in this Policy shall not be deemed a defense to payment of Assessments or other charges, late charges, return check charges, attorney fees and/or costs otherwise payable to the Association.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am a duly elected and acting Secretary of The Beaver Creek Lodge Condominium Association, Inc., a Colorado nonprofit corporation; and

That the foregoing Resolution was duly adopted by action of the Executive Board of the Association at its meeting held on November 7th, 2013, at which a quorum was present.

Dated: November 11th, 2013.



Terry L. Krieger, Secretary