

Riverwalk Master Association

Reserve Fund Policy

Pursuant to C.R.S. §38-33 3-209.5 (2005) the following reserve fund policy is hereby adopted.

It is the policy of the Board of Directors to determine and provide for an adequate reserve fund.

The purpose of the reserve fund is to save and set aside money out of current dues assessments as they are collected each month to help prepay capital costs that can be expected to occur in the future. Examples of such capital costs are street and parking lot paving, major repairs and maintenance of the Clubhouse and related properties, improvements, and replacement of major fixtures and equipment. Creating and protecting an adequate reserve is done to avoid, where practicable, the need to levy special assessments in the future to cover foreseeable capital needs.

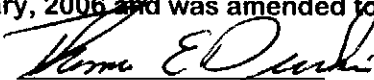
Each year the Board must establish a budget for operations and determine what the monthly assessment shall be. At the same time it must decide what percentage of each monthly assessment should be paid into the reserve fund in order to maintain an adequate fund. Then, each month that amount should be paid into the reserve fund.

The size of the reserve fund and the amount of the annual contribution to be made to the reserve fund is to be determined by the Board of Directors. The Riverwalk Master Association reserve fund has been established. The Board annually establishes a schedule for a portion of the annual assessments to be dedicated to the reserve fund. This determination is revisited every year. The Board may determine that it is necessary or desirable to conduct a reserve study in connection with its periodic review of the reserve fund policy.

The reserve fund should be kept in separate accounts from operating funds and should not be invaded to cover current operating and maintenance costs except in emergencies.

The reserve fund should be invested in safe, longer-term, higher yield securities such as certificates of deposit of a year or longer. Guidelines for investment of funds held in a fiduciary capacity are appropriate guidelines for the investment of condominium association reserve funds. The officers and members of the Board of Directors shall make investment decisions in good faith, with the care of an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the Director of officer reasonably believes to be in the best interests of the Association in accordance with the Colorado Revised Nonprofit Corporation Act.

This policy was adopted by the Board of Directors to be effective as of the 1st day of January, 2006 and was amended to be effective as of the 19th day of September, 2006.



President



Secretary