

ARTICLE V

FISCAL MANAGEMENT

The provisions of fiscal management of the affairs of the Association for and on behalf of all of the lot owners as set forth in the By-Laws shall be supplemented by the following provisions.

1. Accounts. The funds and expenditures of the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, and of which expenditures shall be common expenses:

a. ~~Operating Current~~ Expenses, which shall include all funds and expenditures within the year for which the funds are budgeted, including a reasonable allowance for contingencies and working funds, except expenditure chargeable to reserves or to additional improvements.

b. Reserve Expenses for deferred maintenance and/or replacement, which shall include funds for:

• maintenance items which occur less frequently than annually

~~b. • repair or replacement required because of damage, wear, or obsolescence~~

~~c. Reserve for replacement, which shall include funds for repair or replacement required because of damage, wear, or obsolescence.~~

Sections a, ~~and b, and c~~ immediately set forth above shall not be deemed to be all-inclusive and shall not preclude the establishment and maintenance of such other and further designated account classification as shall be deemed necessary by the Board of Directors.

In addition, these accounts shall be utilized for the Operating Expenses (section a) and Reserve Expenses (section b) in the

~~2. Restricted Water Fund. Thirty three and three tenths (33.3) percent of all membership dues collected on behalf of the Association shall be designated to this fund for expenses directly related to the maintenance and administration of the water augmentation plans as provided for in case nos. numbers W-7903 and W-8107 in District Court, Water Division 1, State of Colorado. Income and expenses shall be accounted separate from any other fund. Expenditure from this fund for a purpose not directly related to water storage and delivery, maintenance and repair of the facility or legal issues concerning said water storage or water rights MUST be approved by a vote of the membership.~~

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