POLICY OF ELK RIDGE TOWNHOME ASSOCIATION
REGARDING RESERVE STUDY POLICY

SUBJECT: Adoption of a policy related to when the Association will have a reserve study prepared, whether there is a funding plan for the work recommended by the reserve study, and whether the reserve study will be based on a physical analysis and a financial analysis.

PURPOSES: To provide for the creation and review of a reserve study and for the funding of the work recommended by the reserve study.

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

EFFECTIVE DATE: 09/20/2024

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. Baseline Reserve Study. The Association shall, within twelve months of the adoption of this Policy, conduct a baseline reserve study.

2. Update of the Reserve Study. Each year following the establishment of the baseline reserve study as provided above, the Association shall cause the reserve study, including both the physical and financial analysis, to be evaluated by the board of directors to determine increases in replacement costs and decreases in remaining useful lives of the components of the reserve study to adequately address changes to be made to the reserve study. The update may be done either with or without a site visit. In determining whether a site visit is required in any given year in order to update the reserve study, the Association shall take into consideration the following:

A. Any special or extraordinary issues facing the community (such as an increase in roof leaks or other maintenance issues).

B. Increased deterioration in any components beyond normal wear and tear.

C. Economic changes that affect the replacement cost of any component.

D. Whether routine maintenance of the components has been kept up with.

3. Funding of the Reserve Study. The reserve study will be funded through as close to fully funded as economic circumstances will reasonably allow. The reserve fund shall be funded at a level such that the reserve fund shall at all times maintain a positive balance.

4. Funding of the Reserve Fund. The reserve fund will be funded on an as-needed basis through the imposition of special assessments by the Association.

PRESIDENT'S CERTIFICATION: The undersigned, being the President of Elk Ridge Townhome Association, a Colorado nonprofit corporation, certifies the foregoing Policy was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on _____ and in witness thereof, the undersigned has subscribed their name.

Elk Ridge Townhome Association, a Colorado nonprofit corporation

By: _____

Its: President