

**POLICY
OF TRES VALLES WEST OWNERS 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:** December 1, 2023

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. Baseline Reserve Study. The Association has not yet conducted a baseline reserve study. Upon completion of a reserve study, the study shall be with both a physical analysis and a financial analysis as follows:

A. The physical analysis:

(1) A component inventory identifying those portions of the community the Association is obligated to maintain, including the useful life of each component.

(2) A condition assessment of each component on the component inventory by on-site inspection.

(3) Estimates of the remaining useful life and replacement costs of each component.

B. The financial analysis:

(1) An analysis of the funds currently held in the Association's reserve fund in relation to the expected needs of the Association per the reserve study.

(2) A future funding plan to meet the requirements of the reserve study.

2. Update of the Reserve Study. Every five years 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 regular assessments. The reserve fund shall be fully funded, meaning the Association's reserve fund shall maintain a positive balance.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of Tres Valles West Owners Association, a Colorado nonprofit corporation, certifies that 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 December 4, 2023 and in witness thereof, the undersigned has subscribed his/her name.

**Tres Valles West Owners Association, a
Colorado nonprofit corporation**

By: 
Its: President