

OWNERS ASSOCIATION OF ELK MEADOWS ESTATES, INC.

POLICY REGARDING RESERVE ANALYSIS

The purpose of this policy is to provide an analysis, funding, and investment plan for the Association's infrastructure. This policy is in compliance with Colorado Revised Statute §38-33.3-209.5, and the Articles of Incorporation SECOND: SECTION 5, and Bylaws of the Association.

RESERVE ANALYSIS POLICY

1. It is the policy of the Association to conduct a reserve study for the portions of the Association's community that are maintained, repaired, improved, or replaced by the Association.
2. The Association shall, every five (5) years, request the external preparation of a reserve study (or obtain a reserve study update for an existing, externally prepared reserve study) for those items of the Association's community that are maintained, repaired, improved, or replaced by the Association. This shall include the water and sewer infrastructure, for which separate reserve funds will be maintained.
3. The individual or individuals preparing or updating the reserve study may or may not have professional experience in conducting the reserve study. The reserve study will be based on both physical and financial analyses of the Association's community.
4. Prior to obtaining a new reserve study, as opposed to a reserve study update, the Board of Directors will solicit bids from qualified companies or individuals to perform valuations and evaluations on the existing common infrastructure, as well as any new infrastructure added since the previous reserve study. The reserve study will recommend a funding plan for any work recommended by the reserve study. The funding of the work recommended by the reserve study will be reviewed at least once per year and incorporated into the Association's then-current budget.
5. Each year, prior to developing an annual budget for the Association, the Board of Directors or a committee thereof will review the reserve study to determine appropriate funding needs for that upcoming budget year.
6. Sources of funding will generally consist of regular periodic assessments collected by the Association. However, in the event of an urgent and/or unforeseen reserve, the Board of Directors shall be entitled to fund the expenditure by any legal means not prohibited by the Association's governing documents, including but not limited to the levy of one or more special assessments or the borrowing of funds. The language in this policy shall not create an authorization for the Association to levy assessments or otherwise take action to raise funds that is not otherwise authorized by its governing documents.
7. The board shall review this policy annually. The board may amend this policy when such a modification is deemed to be in the best interests of the Association.

The undersigned, being President of the Owners Association of Elk Meadows Estates, Inc., certifies that the foregoing Reserve Policy was revised and adopted by the Board of Directors of the Association at a duly called meeting of the board on March 2, 2019, and in witness thereof the undersigned has subscribed his/her name.

Owners Association of Elk Meadows, Inc.

By: Belinda KM Chisholm, President (Signature on File) _____

As per #7 above, this policy has been reviewed on March 31, 2024, by the Board of Directors.

Board signatures on file

No amendments were necessary, but formatting and minor grammatical errors were corrected and performed by Pam East.

In an effort to simplify version control, from this date forward, all policy reviews will be tracked via a tracking document and kept on file rather than changing the review date on each policy every year, with the exception being any policy that requires amending.

Amendment tracking information:

Date	Amendment Details
04/06/2024	Added #7 re: annual policy review.