

Dillon Valley East Condominium Association Reserve Study Policy

The following procedures have been adopted by Dillon Valley East Condominium Association (DVECA) at a regular meeting of the Dillon Valley East Board of Managers (DVE BOM).

It shall be the responsibility of the Board of Managers of the Homeowners Association to determine the repair and replacement risk of the assets owned and maintained by the association. As required by our Governing Documents, it shall be the Board's responsibility to establish and maintain, as part of its budget and out of the installments of the periodic Assessments, an adequate reserve account for maintenance, repair, or replacement of those Common Elements that must be replaced on a periodic basis.

RECITALS:

- A. Colorado Revised Statute ("C.R.S") 38-33.3-209.5(1)(b)(ix) provides that Colorado Common Interest shall adopt policies, procedures, and rules and regulations concerning preparation of a reserve study.
- B. ARTICLE VII-ASSESSMENT, Section 8.4, Declaration of Covenants, Conditions and Restrictions States the Association will establish and maintain, as part of its budget and out of the installments of the periodic Assessments, an adequate reserve account for maintenance, repair, or replacement of those Common Elements that must be replaced on a periodic basis.
- C. ARTICLE V of the Articles of Incorporation authorizes the business and affairs of the Association to be conducted, managed and controlled by the Board of Managers.

THEREFORE, IT IS RESOLVED THAT:

- 1. The Board of Managers may commission a reserve study at least once every three (3) years for all portions of the community maintained, repaired, replaced and/or improved by the Association.
- 2. Reserve Studies will include:
 - a. One for the overall Community Common Element
- 3. An internally conducted reserve study shall be sufficient; however, at any time the Board may determine that a professional study may be warranted.
- 4. The reserve study should be based on both physical and financial analysis and include projected sources of funding the work.
- 5. Upon conclusion of the study, the discussion, and opinions of professionals (if any) the Board of Managers shall prioritize needs and make reasonable and fiscally responsible reserve funding decisions based on what they believe is in the best interest of the Association.
- 6. The study should be reviewed annually before preparation of the annual budget with particular attention to previously established priorities and budgetary considerations.

Dillon Valley East Condominium Association

By: _____
Richard S. Garcia, President

Attest: _____
Catherine N. Brosius, Secretary

This Reserve Study Policy was adopted by the Board of Managers on the _____ day
of _____, 2013, effective the 1st day of _____, 2013, and is
attested to by the Secretary of the Dillon Valley East Condominium Association.

Catherine N. Brosius, Secretary