

Park River West Condominium Association, Inc.
Reserves and Reserve Study Policy Under The
Colorado Common Interest Ownership Act
Adopted 9 February 2019, As Amended June 13, 2022, And ratified
by the Membership August 20, 2022

The following policies and procedures ("Policy") governing Reserves and A Reserve Study have been adopted by the Park River West Condominium Association, Inc. ("Association") at a meeting of the Board of Directors.

1. GENERAL

- a. Statutes Superior to All. The provisions of the Declarations and Bylaws of the Association are incorporated in this Policy by reference and govern for all purposes when not in conflict with the Colorado Common Interest Ownership Act ("CCIOA"), as it exists or may be amended, and the Colorado Revised Nonprofit Corporation Act, as it exists or may be amended. Unless otherwise provided by law, this Policy is subordinate to and shall only supplement the Declarations and Bylaws where they are otherwise silent. The provisions of this Policy shall be independent and severable. The declaration of invalidity of any one or more of the Policy provisions by court order or decree shall in no way affect the validity or enforceability of any other provision, which other provisions shall remain in full force and effect.
- b. Submission to Membership. This policy shall be submitted to the Members of the Association at the 2022 Annual Meeting of the Members for ratification or amendment, as they shall deem appropriate. Pending submission or in the absence of action by the Membership, this policy as stated shall govern.

2. DEFINITIONS.

- a. "Reserve Funds or Reserves" The term "Reserve Funds" as used in this policy shall mean actual or projected money at a particular point in time that the association has identified for use to defray the costs of current or anticipated maintenance, repair, or replacement of major shared components. Reserve fund contributions are identified in the association's annual budget adopted pursuant to C.R.S. §38-33-3303(4).
- b. "Adequate Reserve Funds" means money, in excess of association operating expenses in any fiscal year, specifically dedicated for the maintenance, repair, or replacement of property that the association must maintain, repair, or replace and that has reached the end of estimated useful life based on the most recent Reserve Study, without the need for borrowing or special assessment."
- c. "Reserve Study" means a budget planning methodology that identifies major shared components; evaluates the current status of Reserve Funds; and provides a stable and equitable funding plan for maintaining one or

more Reserve Funds. Each Reserve Study shall consist of two parts: (1) the physical analysis of major shared components and (2) the financial analysis of Reserve Funds. The Reserve Study shall be conducted by an independent and qualified organization experienced in conducting such studies in mountain communities in the State of Colorado and which otherwise meets any requirements of it imposed by law.

d. "Emergent Life Circumstances" means an immediate danger to the structural integrity of the common elements that is likely to impact the life, health, safety, or property of the unit owners or residents. Generally, all items categorized as Major Shared Components will be subject to Emergent Life Circumstance treatment.

3. **PROPERTY COVERED BY RESERVES:** The Association has determined that the following repairs and replacements are "Major Shared Components" and shall be covered by Reserve Funds:

- (a) Replacing siding with concrete siding, front entry steps, and permanent fencing along the south and north boundaries of Association property
- (b) Roofs
- (c) Guttering and downspouts
- (d) Asphalt replacement
- (e) Tree and plant removal and/or replacement
- (f) River Path Maintenance
- (g) Pursuant to established policy of the Board of Directors of the Association deck repairs and replacement of up to \$2,500, adjusted annually by the percentage of increases in dues, for up to six (6) per year for those properties that have not already had a deck repair paid by the association prior to the effective date of the Revised Deck Policy on April 19, 2022.

As a matter of general policy repairs and replacements to the above-described types of repairs that are expected to last longer than 5 years are considered to be capital expenses included in property covered by reserves. Annual painting of units and asphalt crack-sealing and coating shall be included in annual operating expenses and not covered by Reserves, since they are done to protect property and prolong useful life.

4. **FREQUENCY OF RESERVE STUDIES.** The Association shall have a Full Reserve Study conducted at least every five years. A copy of the final version of any Reserve Studies conducted by the Association will be electronically provided to record owners of Units within the Association within thirty days of its completion.

Full Reserve Studies, conducted every five years, must include the following:

- a. A component inventory of major shared components;
- b. A condition assessment of components based upon on-site visual observations: