

**RESOLUTION OF CASTLE VALLEY RANCH TOWNHOMES ASSOCIATION, INC.  
REGARDING A RESERVE STUDY POLICY**

**SUBJECT:** Adoption of a reserve study policy.

**PURPOSES:** To create a standard procedure regarding when and how often Reserve Studies shall take place, what information the Reserve Studies shall be based upon, how the reserve studies shall be funded, and what records shall be available to the Board of Directors ("Board") to obtain an accurate reserve study.

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

**EFFECTIVE  
DATE:**

January 19<sup>th</sup>, 2024

**RESOLUTION:** Castle Vally Ranch Townhomes Association, Inc., ("Association") hereby adopts the following Policy:

1. **Timeline for Preparation of Reserve Study.** An initial reserve study shall be completed at such time as the Board, in their sole business judgment and discretion, shall deem it necessary. Additional reserve studies shall be prepared for the Association as the Board deems appropriate.
2. **Funding for Reserve Study.** The Association has adequate funding for conducting a reserve study. The Association generated such funding through the following methods: Annual and/or Special Assessments.
3. **Physical Analysis and Financial Analysis.** The reserve study will be based on both a physical and financial analysis.
  - a. A Physical Analysis shall include:
    - i. A component inventory identifying those portions of the community the Association is obligated to maintain, including the useful life of each component;
    - ii. A condition assessment of each component on the component inventory by on-site inspection; and
    - iii. Estimates of the remaining useful life and replacement costs of each component.
  - b. A Financial Analysis shall include:
    - i. 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; and
    - ii. A future funding plan to meet the requirements of the reserve study.
4. **Information Available to All Members of the Executive Board.** Notwithstanding any provision of the Declaration or Bylaws to the contrary, all members of the Board shall have

available to them all relevant information related to the Association's operation. The information shall include, but is not necessarily limited to, reports of detailed monthly expenditures, contracts with which the Association is a party, and copies of communications, reports, and opinions to and from officers to the Association.

5. **Definitions.** Unless otherwise defined in this Policy, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
6. **Supplement to Law.** The provisions of this Policy shall be in addition to and in supplement of the terms and provisions found in the Declaration and the law of the State of Colorado governing the Association.
7. **Survival.** In the event a court of competent jurisdiction finds a provision of this policy void or otherwise unenforceable, the other provisions shall remain in full force and effect.
8. **Deviations.** The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.
9. **Amendment.** This Policy may be amended from time to time by the Board of Directors.

**PRESIDENT'S CERTIFICATION:**

The undersigned, being the President of Castle Valley Ranch Townhomes Association, Inc., 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 the 19<sup>th</sup> of January, 2024, and in witness thereof, the undersigned has subscribed his/her name.

**CASTLE VALLEY RANCH  
TOWNHOMES ASSOCIATION,  
INC.,** a Colorado nonprofit  
corporation

By:   
President