

**POLICY OF THE FALLS AT VAIL TOWNHOUSE 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:**

Nov 17, 2023

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. Baseline Reserve Study. The Association shall, within 12 months of the adoption of this Policy, conduct a baseline reserve study.
2. Update of the Reserve Study. Each year 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 a reserve study specialist 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 financial requirement set forth in the reserve study will be funded through regular assessments without the need for special

assessments. The reserve fund shall be fully funded, meaning the Association's reserve fund shall be maintained so as to always reflect a positive balance as determine by the reserve study.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of The Falls at Vail Townhouse Association, a Colorado nonprofit corporation, certifies 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 Nov 16, 2023 and in witness thereof, the undersigned has subscribed their name.

**The Falls at Vail Townhouse Association, a
Colorado nonprofit corporation**

By: John H. Oenrich
Its: President