

**ESTES PARK MOUNTAIN FAIRWAYS, INC.  
POLICY REGARDING RESERVES**

Adopted February 1, 2025

The following policy has been adopted by Estes Park Mountain Fairways, Inc. (the "Association") pursuant to the provisions of C.R.S. § 38-33.3-209.5, at a regular meeting of the Board of Directors (the "Board").

**Purpose:** To adopt a policy addressing the need for a reserve study, funding of any work recommended by the reserve study and projected sources of funding, and whether the reserve study is based on a physical analysis and financial analysis.

NOW, THEREFORE, IT IS RESOLVED that the Board of Directors does hereby adopt the following policy regarding reserves:

**Need for Reserve Study**

1. The Association is obligated to maintain, repair, replace or improve certain improvements within the community.

**Reserve Study**

2. The Association will conduct periodic reserve studies based on recommendations obtained from an independent, qualified reserve study professional, or based on an internal examination of the common areas and improvements and a financial analysis of the requisite reserves as required by this policy.
3. Depending on available resources, the Association may either engage a third-party or may make in-house interim updates to a professional reserve study and may adjust the schedule for updating the reserve study. An update to a reserve study may result from an on-site review of the property or an off-site review of the reserve study and the Association's governing documents. The Board should consider the following factors when determining the schedule for interim updates to a reserve study:
  - a. Significant additions or replacements to the common elements since the last reserve study;
  - b. Wear and tear to common elements due to unseasonable weather or lack of maintenance;
  - c. Technological or product development improvements that could result in cost savings;
  - d. Substantial increases in cost of materials or labor;
  - e. Any scheduled maintenance, repairs, or replacements that the Association deferred or accelerated;
  - f. Whether reserve income was received as planned;
  - g. Whether reserve expenditures were incurred as planned;
  - h. The Association's selected method of funding reserves.
4. A full reserve study will consist of a physical analysis and a financial analysis. Interim updates may consist of a physical analysis, a financial analysis, or both. A physical analysis includes an inventory of all improvements that the Association is responsible for maintaining, repairing, replacing or improving and a

visual inspection of those items to determine their existing condition. A financial analysis includes an evaluation of the estimated remaining life of an item, the adequacy of existing reserve funds, projected future reserve income, projected future reserve needs, and the ability to meet future reserve needs under the existing funding plan.

5. The Association plans to update its reserve study as needed, but not less than once every five (5) years.

#### **Funding Plan**

6. The Association does not allocate reserve funds for improvements costing less than \$1,000.00 to repair or replace.
7. The Board of Directors will review its reserve fund balance at regular intervals. Based on its review, the Board of Directors may increase allocations from regular assessments, or levy special assessments pursuant to the Declaration, as it deems appropriate to fund the reserve account under the then current circumstances.
8. The Association may elect to apply funds from its operating account to maintenance, repair or replacement costs otherwise covered by reserve funds.
9. The Association will invest all reserve funds in accordance with the Association's policy regarding investment of reserve funds.

Estes Park Mountain Fairways, Inc.

By: Yvonne Salfinger  
President

This Policy Regarding Reserves was adopted by the Board of Directors on the 1st day of February, 2025, effective the 1st day of February, 2025, and is attested to by the Secretary of Estes Park Mountain Fairways, Inc.

Sharon Joy  
Secretary