

SFTR Property Owners Association Policy 2025 - 02

Title: Reserve Studies Policy	Date of Issue: June 7 th , 2025
Approved By: <i>Carol Smith, POA Secretary</i>	Review/Revise Date:
This policy shall remain in effect until it is no longer needed or incorporated into other SFTR governing documents.	

Policy Statement/Purpose

The purpose of this Reserve Studies Policy is to establish guidelines for conducting, updating, and funding reserve studies for Santa Fe Trail Ranch Property Owners Association (the "Association"). This policy is adopted in compliance with the Colorado Common Interest Ownership Act (CCIOA) to ensure long-term financial stability and proper maintenance of the Association's common areas and facilities.

Applicability

This policy is applicable to the SFTR POA, its Board of Directors and each committee chair.

Definition

A reserve study is an analysis of the Association's reserve funds, including a detailed examination of the common area components, their useful life, and the estimated cost for their repair or replacement. The study also includes a financial plan to ensure that adequate funds are available when needed.

Process/Procedures

1. Frequency of Reserve Studies

- An initial reserve study shall be conducted by the Board of Directors or a designated committee.
- Updates to the reserve study shall be conducted annually by the Board of Directors or a designated committee to reflect changes in the Association's common area components, costs, and funding status.

2. Components of Reserve Study

The reserve study shall include, but not be limited to, the following components:

- An inventory of all common area components, including their condition, estimated useful life, and remaining useful life.
- An estimate of the cost to repair or replace each component.
- A financial analysis, including the current reserve fund balance, projected reserve fund contributions, and projected expenses.
- A funding plan to ensure that sufficient funds are available to meet future repair and replacement needs.

3. Selection of Reserve Study Professionals

- The Board of Directors may select a qualified reserve study professional or firm to assist in the development of the reserve study.
- The selected professional shall have experience and expertise in performing reserve studies for common interest communities.

4. Funding of Reserves

- Reserve funds shall be maintained in the bank accounts or investment accounts of the Association.
- Reserve funds shall be distributed as required for the repair and replacement of common area components identified in the reserve study, as approved by the Board of Directors.

5. Use of Reserve Funds

- Withdrawals for use as reserve funds shall be authorized by the Board of Directors and shall be used only for the purposes specified in the reserve study.
- Any use of reserve funds for purposes other than those specified in the reserve study shall require the approval of the Board of Directors in advance of said use.
- Use of Reserve Funds may include, but are not limited to, repair and/or replacement coverage for substantial road washouts, dams, mailboxes, guard shack and equipment not covered by insurance.

6. Reporting and Disclosure

- The Board of Directors shall include a summary of the reserve study and the reserve fund status during the Association's annual meeting in which financial reports are reviewed.
- The reserve study and reserve fund balance shall be made available to members upon request.

7. Review and Adjustments

- The Board of Directors shall review the reserve study and funding plan annually and make adjustments as necessary to address changes in the condition of common area components, cost estimates, and funding requirements.
- Any adjustments to the reserve funding plan shall be communicated to the members in a timely manner.

8. Amendments

This Reserve Studies Policy may be amended by a majority vote of the Board of Directors. Members shall be notified of any changes in a timely manner.